7982. SA17

To Kevin Jeffers, Ext7982, SA17
From Rich Gleckler, Ext7459, 2B6

Date October 13, 2003

Agreement No. RR00278	Sup No.	C.S.	S.R.	Region Rial Office	L. No. / Contract
Organization	Harrison I			100101110	
Burlington northern and Santa Fe Railroad					
Section					
North-South Main Line Corridor between Vancouver, WA and Blaine, WA					
Type of Work Master Agreement for upgrading of the Line, incl. Planning, Design, Engineering, Permits, Construction					
Original Amt /	Sup. Amt	Amt. to Date		0.00	
WE HAVE COMPLETED OUR REVIEW OF THE ABOVE REFERENCED AGREEMENT IN ACCORDANCE WITH DEPARTMENTAL DIRECTIVE D 13-70 (SC) AND: We have no comments or recommendations for revision to the agreement. No reply required					
We request that you consider the following comments and recommendations and return the original of this form with your approval or comments.					
1. The term of this Agreement is from date executed thru June 30, 2023; twenty years. 2. The Agreement is a Task Order Agreement, therefore there is no maximum dollar amount included. 3. The Agreement had extensive input from and has been reviewed by AAG Jeanne Cushman. 4. This Agreement superceeds Section 16, "Refund for Crossover", & the Depreciation Schedule in Exhibit "C" of Agreement RR-00223 between the Parties dated December 31, 1997.					
Revisions Made. (See Attached) Comments or recommendations not incorporated because:					
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Signature		Title		D	Pate



(WSDOT Agreement No. RR 00278; BNSF Agreement No. BF21724)

This Agreement is by and between the State of Washington (hereafter "State"), acting through its Department of Transportation, and The Burlington Northern and Santa Fe Railway Company, successor by merger to Burlington Northern Railroad Company (hereinafter "Railroad"), a Delaware corporation with its principal office at 3017 Lou Menk Drive, Fort Worth, Texas 76131-2830.

WHEREAS, the State Legislature has adopted a policy of support for incremental upgrading of intercity rail passenger service within the State and linking various points in the State with destinations in the State of Oregon and the Province of British Columbia, Çanada;

WHEREAS, Railroad owns a rail line extending from Vancouver, British Columbia to Seattle, Washington to Portland, Oregon over which passenger trains are currently operating pursuant to separate agreements. The portion of that rail line extending from the United States-Canadian border near Blaine, Washington to the Washington-Oregon border near Vancouver, Washington, is the "Rail Line" defined in Article 2 below;

WHEREAS, National Railroad Passenger Corporation (hereafter "Amtrak") operates intercity passenger trains over the Rail Line;

WHEREAS, the parties have developed a Conceptual Plan for upgrading the Rail Line based upon Operating Simulations, which Plan includes construction of grade crossing improvements such as separations, upgraded grade crossing warning systems, grade crossing consolidation and closures; upgraded train signal systems; segregation of freight and passenger operating facilities; track reconfiguration; construction of crossovers; and such other improvements as are identified between the parties from time to time, as defined in Article 2 below (the "Conceptual Plan"). That Conceptual Plan is designed to address the operation of up to thirteen State-Supported Trains in each direction between Seattle and Portland, Oregon and up to four State-Supported Trains in each direction between Seattle and Vancouver, British Columbia, at higher speeds and with better on-time performance than is possible as of the date of this Agreement. The implementation of the Conceptual Plan is subject to agreement between State and Railroad to improve the Rail Line and to realize operating benefits resulting from such improvements including, without limitation, the operation of additional State-Supported Trains; provided, however, that necessary improvements must be completed in accordance with this Agreement before additional State-Supported Trains will be added;

WHEREAS, the parties desire to enter into an agreement to govern planning, design, permitting, construction and funding of proposed incremental physical improvements in the Rail Line, pursuant to Task Orders, during the term of this Agreement;

WHEREAS, the parties intend to enter into a separate agreement to provide for continued maintenance of improvements made under this Agreement and of improvements made under previous agreements between the parties that will assure the continuation of benefits to intercity rail passenger service derived as a result of those Rail Line improvements;

WHEREAS, the parties intend to enter into a separate operating agreement to implement agreed intercity rail passenger service Operating Benefits as Rail Line improvements under this Agreement are completed and put into operation and to maintain intercity rail passenger service Operating Benefits related to improvements made under previous agreements between the parties and under this Agreement; and

WHEREAS, by execution of this Agreement, the parties confirm their intent to advance the development and construction of proposed physical improvements to the Rail Line by cooperating in implementing, when agreed upon, physical improvements to the Rail Line in an expeditious manner, consistent with the availability of State, Railroad, or third-party funding, in compliance with the safety rules imposed by applicable Federal and State laws and regulations, and in accordance with Railroad's policies and procedures.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties hereto agree as follows:

1. Effective Date and Term.

This Agreement shall be effective on the date it is executed by both parties or on the date when all required exhibits are attached, whichever is later, and shall continue in effect until June 30, 2023, or until earlier termination of this Agreement as provided herein, subject to the continuation of all obligations that by their nature extend and remain executory beyond the date of termination including, without limitation, the parties' obligations under Articles 4, 6, 7, 11, 13, 15, and 16 of this Agreement.

2. Definitions.

As used in this Agreement, the following terms, when capitalized, shall have the following meanings:

- 2.1 "Additive Rates" shall mean those markups to direct costs to the extent provided in Exhibit 4 to this Agreement. It is the intent of the parties that Additive Rates shall not provide a profit to Railroad, nor shall they be used to duplicate payment to Railroad for any Cost that is otherwise directly invoiced for payment hereunder.
- 2.2 "Agreement" shall mean this document, and every subsequent written amendment thereto, and such Task Orders as are agreed upon by the parties from time to time that establish procedures, guidelines, and substantive commitments relating to the planning, design, permitting, construction, and funding of proposed incremental physical improvements to the Rail Line. In the case of conflict between a substantive term of this document, as amended, and a Task Order, the former shall prevail.

- 2.3 "Amtrak" shall mean the National Railroad Passenger Corporation. Any reference to Amtrak, or to a successor to Amtrak, in this Agreement should be broadly construed to include and reference Amtrak and any successor operator of intercity rail passenger service over the Rail Line selected in accordance with Section 13.2, or otherwise.
- 2.4 "Applicable Engineering Standards" for an Improvement shall be the Engineering Standards in effect upon completion of Final Engineering for that Improvement, or upon updating Final Engineering as specified in Section 4.10 below, unless otherwise agreed by the parties.
- 2.5 "Capitalized Value" for an Improvement shall be the sum of all Costs paid by State for each completed Improvement (the "final Cost" to the State for that Improvement).
- 2.6 "Conceptual Engineering" shall mean development and modification of the Conceptual Plan, including, but not limited to, activities to define the scope and viability associated with each proposed Improvement and development of appropriate scope of work descriptions for Task Orders.
- 2.7 "Conceptual Plan" shall mean the plan developed by State and Railroad for upgrading of the Rail Line. The Conceptual Plan is set forth in Exhibit 1 to this Agreement. The parties acknowledge that, at the time of execution of this Agreement, the Conceptual Plan is tentative and not binding upon either party and may be subject to amendment during the term of this Agreement.
- 2.8 "Construction" shall mean the process of physical implementation of an Improvement including, without limitation, ordering materials to be incorporated into the Improvement, actual installation work, construction management, and engineering support for field changes. Construction, by this definition, excludes Conceptual, Preliminary, and Final Engineering, as well as Environmental Compliance and other activities required for design, Permitting and Approvals for the Improvement.
- 2.9 "Costs" for all Work, including Conceptual Engineering, Preliminary Engineering, Permits and Approvals, property acquisition, Environmental Compliance, Final Engineering, Environmental Mitigation and Construction of an Improvement, shall mean and include the items specified in the following subsections increased by applicable Additive Rates and reduced by the amount of Scrap Salvage Value of Disposed Materials, or Secondhand Value of Reclaimed Materials; provided, however, that no invoiced Cost of Railroad shall duplicate any element of an Additive Rate charged under this Agreement nor shall Costs for Work performed under a Task Order, in the aggregate and for individual Work items, exceed the agreed amount of compensation for those Costs specified in the applicable Task Order unless the specified compensation is supplemented pursuant to Section 4.14:
 - 2.9.1. The payroll cost for all direct charge personnel engaged in planning, designing and constructing the Improvement, plus travel, subsistence and lodging costs incurred by Railroad in accordance with its travel policy and union agreements;

- 2.9.2. The cost of material purchased and used in Construction of the Improvement;
- 2.9.3. Restocking charges for materials purchased for Construction of an Improvement that: A. Cannot be used for Construction of that Improvement; B. Have no alternative use to Railroad; and C. Are eligible for return to the supplier;
- 2.9.4. The cost (less salvage value) of any materials purchased for Construction of an Improvement that: A. Cannot be used for Construction of that Improvement; B. Have no alternative use to Railroad; and C. Are not eligible for return to the supplier, including normal vendor handling material distribution costs to the extent that such costs are not included in the Additive Rates for such materials.
- 2.9.5. The current replacement cost of material furnished from Railroad's stock that is used in Construction of an Improvement;
- 2.9.6 The rental paid for equipment rented and used in the Construction of an Improvement;
- 2.9.7 The expense of transporting Railroad personnel, materials and equipment to Construction sites;
- 2.9.8. The contract price of any engineering services Railroad or State obtains to supplement Railroad's engineering staff, to the extent allowable under applicable State standards:
- 2.9.9. The contract price of construction contractors and construction managers;
- 2.9.10. Property acquisition costs;
- 2.9.11. Applicable Taxes not already included in Additive Rates which are attributable to the funding or performance of the Work by Railroad or its contractors;
- 2.9.12. Extraordinary insurance premiums, or appropriate portions thereof, relating to insurance coverage that Railroad is required to maintain solely due to the requirements of this Agreement; and
- 2.9.13. Legal costs incurred by Railroad in performance of its obligations under this Agreement, including attorney's fees and related costs, but excluding: A. Costs attributable to "in-house" attorneys and other personnel employed by Railroad; and B. Costs attributable to disputes, arbitrations and lawsuits between the parties.
- 2.9.14. Costs incurred by Railroad in the preparation of invoices for eligible Work under this Agreement.

- 2.10 "Engineering Standards" shall mean Railroad standards in effect as of the date of this Agreement and those standards subsequently adopted or revised by Railroad as necessary to assure the proper design and construction of some or all of its rail lines, including the proposed Improvements. Engineering Standards shall include, but are not limited to, Engineering Instructions, Standard Plans for Track Work, Standard Construction Specifications, Utility Accommodation Policy, Design Guidelines for Industrial Track Projects, Structure Department Standard Plans, Signal Engineering Standards Manual, Signal Standards Manual, Communications and Signal Standards Manual, Grounding and Lighting Protection Standards and any other applicable regulatory requirements. Recommended practices of the American Railway Engineering and Maintenance Association shall be considered Engineering Standards with respect to construction of Improvements if no Engineering Standard adopted by Railroad covering the same subject matter is in effect, unless otherwise agreed by the parties.
- 2.11 "Environmental Assessment" shall mean studies or evaluations necessary to identify Environmental Remediation Work.
- 2.12 "Environmental Compliance" shall mean: 1. Development of required environmental evaluations and documentation sufficient to analyze environmental effects of an Improvement, if any including, without limitation, all documents necessary to comply with the National Environmental Policy Act, the Washington State Environmental Policy Act and the Washington State Shoreline Management Act; 2. Obtaining permits, approvals, and/or orders from local agencies or other governmental entities; and 3. Compliance with all conditions imposed by such permits, approvals, and/or orders.
- 2.13 "Environmental Permits and/or Approvals" collectively or separately shall mean the application for and acquisition of all federal, state, and local permits and/or approvals necessary for Environmental Compliance as described in Section 2.12.
- 2.14 "Environmental Remediation Work" or "Remediation Work" shall mean Work necessary to remediate any environmental condition within a Project area or the scope of any Task Order.
- 2.15 "Final Engineering" shall mean development of final plans, specifications, schedules, and estimates of Costs required for construction of each Improvement; as well as the completion of Environmental Assessments, development of bid packages, management of the bidding process including evaluation of bids, obtaining all necessary Permits and Approvals, and any efforts expended in such phase to support Environmental Permitting or Approvals to the extent that those tasks are required under an applicable Task Order.
- 2.16 "Impacted Soils or Other Environmental Conditions" shall mean soils impacted with petroleum or contaminants or other conditions within a Project area or the scope of any Task Order that require environmental remediation.
- 2.17 "Improvement" shall mean a physical change in the Rail Line under a Task Order and shall include all Work incidental and essential to the Construction of that Improvement.

- 2.18 'In Service' shall mean, with respect to an Improvement, that Substantial Completion of the Improvement has been achieved and Railroad has authorized trains to utilize the Improvement or otherwise has begun utilizing the Improvement.
- 2.19 "Operating Simulation" shall mean a simulation of present and projected Railroad operations, including intercity passenger, commuter passenger, and freight service, that is conducted by Railroad using the methodology described in Exhibit 2, assuming the completion of one or more of the Improvements referenced in Exhibit 1.
- 2.20 "Permitting and/or Approvals," also "Permits and/or Approvals," collectively or separately shall mean the application for and acquisition of all federal, state, and local permits and/or approvals for Construction of an Improvement, excluding permits and/or approvals described in Section 2.12, Environmental Compliance that are referenced collectively or separately as "Environmental Permits and/or Approvals."
- 2.21 "Preliminary Engineering" shall mean engineering necessary to: 1. Prepare preliminary plans and estimates of Costs for an Improvement and a critical path schedule for Final Engineering, Permitting and Approvals, Environmental Permits and Approvals, and Construction; 2. Facilitate the identification of operating benefits projected to result from the Improvement; 3. Identify real property that must be acquired for the Improvement; 4. Evaluate the need for Environmental Assessments relative to the properties affected by such Improvement; and 5. Support Environmental Permitting and Approvals.
- 2.22 "Rail Line" shall mean the rail line owned by Railroad extending from the U.S.-Canadian border near Blaine, Washington to the Oregon-Washington border near Vancouver, Washington, including the railroad tracks and all appurtenant and ancillary facilities. Both the Seattle Subdivision between Nisqually Junction and Reservation via the Nelson Bennett Tunnel and the Lakeview Subdivision between Nisqually Junction and Reservation via Lakeview are included within the Rail Line.
- 2.23 "Railroad" shall mean The Burlington Northern and Santa Fe Railway Company.
- 2.24 "Scope of Work" shall mean the Work specified to be performed by any Task Order, including Final Task Order Closeout Procedures defined in Section 4.21.
- 2.25 "Scrap Salvage Value of Disposed Materials" shall be calculated as follows: ((Net Tons of material to be disposed) X (Salvage Value/Ton))-(Estimated Removal Cost). Scrap Salvage Value of Disposed Materials shall be established in accordance with the market price determined by Railroad in accordance with Railroad's standard estimating procedures.
- 2.26 "Secondhand Value of Reclaimed Materials" shall be calculated as follows: ((Net Tons of reclaimed material) X (Secondhand Value/Ton))-(Estimated Removal Cost). Secondhand Value of Reclaimed Materials shall be established in accordance with the market price determined by Railroad in accordance with Railroad's standard estimating procedures.

- 2.27 "Severable Improvement" shall mean an Improvement that the parties agree in a Task Order to be a Severable Improvement. Severable Improvements may include, but shall not be limited to, Improvements of one or more of the following types: 1. Additional main track; 2. Additional main line sidings; 3. Additional main line crossovers; 4. Other facilities solely related to and used for the purpose of operating any Improvement described in 1, 2 and 3; or 5. Other facilities solely related to and used for the operation of intercity rail passenger service. The term "additional," as used in this subsection, means an Improvement constructed pursuant to this Agreement that does not replace an asset incorporated in the Rail Line as of the effective date of this Agreement.
- 2.28 "State" shall mean the State of Washington.
- 2.29 "State-Supported Trains" shall mean passenger trains funded or supported by State and operated over the Rail Line by Amtrak or its successor pursuant to separate agreements.
- 2.30 "Substantial Completion" shall mean completion of the Scope of Work included in any Task Order such that said Scope of Work (including any Improvement authorized in such Task Order) has been completed in accordance with Final Engineering (as modified through field changes acceptable to the parties); complies with applicable laws and regulations; and, with respect to an Improvement, may be placed In Service.
- 2.31 "Task Order" shall mean a bilaterally agreed and written document in the form specified by Exhibit 3 that authorizes Work identified in Exhibit 1 including, but not limited to, Conceptual Engineering (if performed by Railroad), Preliminary Engineering, Permitting and Approvals, Final Engineering, Environmental Compliance, property acquisitions, and/or Construction of one or more Improvements.
- 2.32 "Tax" or "Taxes" shall mean any federal, state, or local net income, gross income, gross receipts, business and occupation, severance, property, production, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add-on minimum, ad valorem, value-added, transfer, stamp, or environmental or public utility taxes or any other tax, government charge or assessed fee, or other like assessment or charge of any kind, together with any interest, penalty, addition to tax or additional amount imposed by any government authority, including any Taxes related to the receipt of Costs which are themselves Taxes, incurred by Railroad, or incurred by its consultants, contractors, or their subcontractors in their performance under this Agreement and charged to Railroad;
- 2.33 "Wetland Mitigation" shall mean design, construction, and maintenance by State of wetlands and buffer zones required to achieve and continue Environmental Compliance.
- 2.34 "Work" shall mean and include all efforts and tasks, singularly and collectively, required to place any or all Improvements identified in Exhibit 1 into an In Service status, including, but not limited to, the design and construction of such Improvements pursuant to Task Orders.
- 3. Exhibits.

Attached hereto and made a part hereof by reference are the following exhibits:

- 3.1 Exhibit 1: The Conceptual Plan, including Improvements in the Rail Line identified for completion by March 31, 2002 pursuant to previous agreements between Railroad and State; a written description of planned Improvements identified by this Agreement; and a track chart showing the proposed location of identified or otherwise planned Improvements. The Conceptual Plan is not binding upon the parties and is subject to change. However, Task Orders agreed upon by the parties pursuant to Article 4 are binding upon the parties. The parties acknowledge that State may, at its sole discretion and upon notice to Railroad, from time to time modify the Conceptual Plan. However, in no event shall any Task Order for any Work on Railroad property be issued without written agreement from Railroad.
- 3.2 Exhibit 2: Methodology for Operating Simulations.
- 3.3 Exhibit 3: Form of Task Order.
- 3.4 Exhibit 4: Railroad's Labor Additives, Definitions and Percentages Effective January 1, 2003 (rates based on 1998 costs). The Labor Additives, Definitions, and Percentages components of Exhibit 4 may be prospectively adjusted no more often than annually, provided the revised additives and percentages have previously been audited by a cognizant federal or state agency. Such adjustments shall apply to any work on Task Orders performed by Railroad on or after the latter of 1. The date on which Railroad notifies State of the adjustments; or 2. The date on which the audit of the adjustments has been completed.
- 3.5 Exhibit 5: Improvements that must be completed to preclude Railroad from exercising its right to require discontinuance of the second daily State-Supported Train operating in each direction between Seattle, Washington and Vancouver, British Columbia.
- 3.6 Exhibit 6: List of Completed Improvements. That List should be updated annually by amendment and should specify the Capitalized Value for each Improvement completed during the preceding year.

4. Task Order Procedures for Improvements to Rail Line

4.1 Unfinished Work under Prior Agreements

All unfinished Work being performed under previous agreements between Railroad and State for upgrading of the Rail Line shall cease at midnight on June 30, 2003, with any additional Work on such Improvements to be conducted pursuant to Task Orders.

4.2 Task Order Development-General

State shall, from time to time at its sole discretion, develop one or more proposed Task Orders that will designate the purpose, Scope of Work, schedule, compensation and any other terms and conditions relevant to planned Improvements identified in Exhibit 1 that State proposes be designed and constructed by Railroad. Each proposed Task Order shall be in the form set forth

in Exhibit 3, except as specified in Section 4.32, and shall be consistent with the Conceptual Plan. A Task Order, when executed by the parties, shall represent State's authorization to Railroad to immediately proceed to perform the Scope of Work specified in that Task Order which may include, but shall not be limited to, Conceptual Engineering, Preliminary Engineering, property acquisition, Permitting and Approvals, Environmental Compliance, Final Engineering, or Construction of any Improvement, or any combination of such activities, for specified compensation and in accordance with a specified schedule.

4.3 Task Order Development-Specific

- 4.3.1. Within thirty (30) days of the State's tender of a proposed Task Order to Railroad, the parties shall exchange a list of employees each party may select to perform project management relating to the Task Order; as well as lists of consultants and contractors (subject to State's ability to identify such consultants and contractors under competitive bidding laws) each party may select to perform services relating to the Task Order; and any other information or comment deemed appropriate by either party. Either party may submit comments regarding employees and/or identified consultants and contractors on the project management, consultant, and contractor lists exchanged as specified in Sections 4.27 and 4.28.
- 4.3.2. Railroad may, in its sole discretion, choose to accept, reject, or suggest modifications to any proposed Task Order. Railroad may submit comments regarding a proposed Task Order at any time prior to its acceptance or rejection of the proposed Task Order. In any event, Railroad shall notify State within ninety (90) days of receipt of a proposed Task Order, or of any subsequent amendment thereto, of its acceptance or rejection of the proposed Task Order or amendment. If Railroad:
 - 4.3.2.A. Rejects a proposed Task Order or amendment, State may amend the Task Order or amendment and resubmit it to Railroad, whereupon Railroad shall notify State of its acceptance or rejection of the amended Task Order or amendment in accordance with the time limits stated above.
 - 4.3.2.B. Accepts a proposed Task Order or amendment, it shall submit its notice of acceptance along with a proposed schedule and pricing for the Scope of Work requested in the proposed Task Order or amendment and any other information or comment deemed appropriate by Railroad.
- 4.3.3. State shall have thirty (30) days to respond to Railroad's notice of acceptance of a proposed Task Order (including Railroad's proposed schedule and pricing for the Scope of Work) by submitting its own notice of acceptance or by rejecting the proposed Task Order by: A. Explicit written notice; B. Amending the proposed Task Order and resubmitting it for Railroad consideration; or C. Failing to respond within such thirty (30) day period.
- 4.3.4. Once the parties have signified their acceptance of a proposed Task Order, they shall promptly circulate that Task Order for execution. A fully-executed Task Order shall

become part of this Agreement and shall represent State's authorization to Railroad to immediately proceed to perform the Scope of Work specified in that Task Order and to bind A. Railroad to perform the Scope of Work described therein in accordance with the agreed schedule; and B. State to pay Railroad the agreed compensation in accordance with the requirements of Section 4.17.

4.3.5. At any time, Railroad and State may agree, in writing, to amend the proposed Scope of Work, schedule for implementation of specified Improvements, compensation schedule, or any other elements stated in a Task Order.

4.4 Conceptual Engineering

State will perform Conceptual Engineering (or manage performance thereof through a designee) unless the parties agree to perform Conceptual Engineering jointly. Where a party did not individually or jointly perform Conceptual Engineering (or manage performance thereof through a designee) then that party shall have the right, in the negotiation of Task Orders, to approve, reject, or otherwise comment upon Conceptual Engineering performed by the other party, or its designee, upon or before submission of a proposed Task Order to Railroad by State. If Railroad elects not to approve Conceptual Engineering that has been submitted to it by State, Railroad may suggest changes in State's Conceptual Engineering that would make the design acceptable to Railroad or, in its sole discretion, Railroad may reject State's request for a Task Order for Preliminary Engineering based upon such Conceptual Engineering.

Once the parties have approved the Conceptual Engineering for an Improvement, Railroad will provide to State all information from the files of its Manager – Environmental Remediation or comparable officer regarding the known Impacted Soils or Other Environmental Conditions within the limits of that proposed Improvement.

4.5 Preliminary Engineering

Following execution of a Task Order that includes Preliminary Engineering in its Scope of Work, Railroad shall perform Preliminary Engineering in accordance with the Scope of Work, schedule, and pricing set forth in that Task Order. State shall have the right to review and comment upon Preliminary Engineering performed by Railroad at intervals specified in the Task Order or, if not otherwise specified therein, at 30-day intervals commencing on the date of the execution of the Task Order and extending through completion of Preliminary Engineering. Plans and specifications developed through Preliminary Engineering shall conform to Engineering Standards in effect at that time. Unless the Task Order directs otherwise, Railroad will, following completion of Preliminary Engineering for an Improvement, provide State with its: 1. Plans and specifications (including Railroad's project schematic) developed to date; 2. Critical path schedule for the Improvement, specifying proposed time lines for Permitting and Approvals, property acquisition, Final Engineering, and Construction; 3. Identification of real property that must be acquired for the Improvement; 4. Determination whether an Environmental Assessment is needed; and 5. Preliminary estimate of all Costs for the Improvement including the Costs for real property acquisition, Final Engineering, and Construction. During subsequent phases of Work related to any Improvement, Railroad shall update each critical path schedule at

60-day intervals to reflect any revisions that are necessary to account for changes in and impacts to the critical path schedule occurring within each preceding 60-day interval.

4.6 Permits and Approvals

Upon execution of a Task Order that includes Permits and Approvals in its Scope of Work, Railroad shall apply for all necessary Permits and Approvals required to construct the Improvement in accordance with the Task Order and shall then prosecute all such applications to a conclusion in a timely manner. In the event any modification in the design of an Improvement is necessary due to unanticipated Permit or Approval requirements, and the modification is outside the Scope of Work of the Task Order, Railroad shall notify and consult with State regarding any such modification before it is consummated.

4.7 Environmental Permits and Approvals, Compliance, and Remediation

State acknowledges that environmental conditions may be present on any railroad property, including the Rail Lines. State acknowledges that there may be risks of environmental impacts associated with proposed Work under this Agreement and which may also result in future institutional, engineering or operational requirements.

State shall be responsible for developing essential information to obtain all necessary Environmental Permits and Approvals required for Environmental Compliance with respect to each Improvement identified in Exhibit 1 except as otherwise agreed by the parties. The Environmental Permits and Approvals required for Environmental Compliance with respect to each Improvement shall be specified in a Task Order for Work under this Agreement, or by a specific "Environmental Compliance" Task Order, prior to the commencement of Work to achieve Environmental Compliance. Within sixty (60) days of certification by State that sufficient information therefor has been compiled, Railroad and State, as co-applicants, shall file any requisite application(s) for Environmental Permits and/or Approvals and State shall be responsible as the lead entity to prosecute such application(s) to successful conclusion; Provided, however, that Railroad reserves the right to prosecute Environmental Permit or Approval applications with respect to Improvements between Seattle, Washington and the U.S.-Canada border as described in Exhibit 5. State and Railroad shall cooperate fully to perform all tasks essential to assure that appropriate Environmental Permits and Approvals are issued by requisite authorities in an expeditious manner; provided that Railroad retains the right to determine if and when to invoke any federal preemptive rights with respect to both Environmental Permits and Approvals and Permitting and/or Approvals.

State shall be responsible for developing, implementing, and maintaining any mitigation required to achieve Environmental Compliance, including, without limitation, Wetland Mitigation. State shall be responsible for developing, implementing, and maintaining Wetland Mitigation. Wetland Mitigation shall be designed for Construction on property not owned by Railroad at the time of Construction. If Railroad, in its sole discretion, agrees to Construction of Wetland Mitigation on Railroad's property and to conveyance of such property to State, State shall acquire Railroad's interest in the required property at fair market value. The parties recognize that unforeseeable tasks, including mitigation, may be required by administrative or judicial decision during the Environmental Compliance process. To the extent that Railroad performs Work to comply with administrative or judicial requirements, the costs of such Work allowed under Section 2.9 shall be reimbursable for purposes of this Agreement. Before accepting any condition imposed by the permitting or approving authority, State shall consult with Railroad to determine whether the condition would impose restrictions on Railroad's business activities that are not acceptable to Railroad. State must secure Railroad's approval before consenting to any

administrative order that imposes conditions on Railroad's operations over and maintenance of the Rail Line, or on other Railroad property.

In its Preliminary Engineering, Railroad will evaluate the need for an Environmental Assessment relating to a proposed Improvement. If an Environmental Assessment of the affected area is needed, it will be performed as an element of Final Engineering for the Improvement. If the Environmental Assessment identifies necessary Environmental Remediation Work, then the Final Engineering shall describe that Environmental Remediation Work in adequate detail. All approved Environmental Remediation Work under a Task Order shall be performed by Railroad unless otherwise agreed by the parties.

If previously unidentified Impacted Soils or other Environmental Conditions are encountered during Construction, Railroad shall give State immediate notice of that fact. Construction shall cease in the area of such Impacted Soils or other Environmental Conditions until further procedures are undertaken in accordance with this Section.

State releases Railroad and waives any claim the State may have, including those that may arise under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 US.C. §, the Model Toxics Control Act, RCW 70.105D, or any other environmental law, against Railroad relating to increased design and construction costs caused by an environmental condition of the Rail Line that predates the Work under a Task Order including, without limitation, any damages or costs for delay or otherwise; Provided, however, that State does not release Railroad from environmental costs or damages incurred by State on Railroad owned property outside the area of Construction in the event that State is (1) named as a potentially responsible or liable party by a regulatory agency and ordered to conduct cleanup of environmental contamination; or is (2) sued by a regulatory agency or other third party for remedial action or response costs arising out of environmental contamination.

State acknowledges that identification of environmental conditions, and design of effective Environmental Remediation, is a difficult task and that Railroad is not the guarantor regarding any environmental matters concerning the Rail Lines, including the presence and risk of the presence of any hazardous materials, wastes, contaminants or other environmental condition, in, on, under or otherwise concerning the Rail Lines. It is the intent of the parties that, in the event previously unidentified Impacted Soils and Other Environmental Conditions are encountered during Construction, changes in the Improvement under Construction and additional Environmental Remediation Work necessitated thereby should be addressed under Section 4.14 of this Agreement. Railroad shall have no obligation under this Agreement to perform any Environmental Remediation Work with respect to the Rail Lines, Improvements, Impacted Soils or Other Environmental Conditions or other property without prior agreement of the parties in a Task Order or a modification to a Task Order under Section 4.14.

Nothing in this Agreement is intended to interfere with Railroad's environmental activities or compliance obligations which do not concern Construction of Improvements.

4.8 Final Engineering-Task Order

At any time after completion of Preliminary Engineering by Railroad, State shall be entitled to propose a Task Order that includes Final Engineering within its Scope of Work.

4.9 Final Engineering-Work

Following execution of a Task Order including Final Engineering, Railroad shall proceed to perform the Scope of Work of that Task Order including, but not limited to, development of final design documents that conform to Applicable Engineering Standards. State shall have the right to review and comment upon Final Engineering performed by Railroad at intervals specified in the Task Order or, if not otherwise specified therein, at 30-day intervals commencing on the date of execution of the Task Order through completion of the Scope of Work established in that Task Order. In the event State determines, following such review, that Railroad's Work does not comply with the requirements of the Task Order, State may dispute Railroad's invoice for that Work in accordance with Section 4.17. Railroad shall, following completion of Final Engineering for an Improvement, provide State with its: 1. Final plans and specifications; 2. Critical path schedule for Construction; 3. Environmental Remediation Work plan; 4. Final estimate of Costs of Construction; and 5. Other deliverables that are required under that Task Order.

4.10 Final Engineering-Delays in Construction

If State delays execution of a Task Order for Construction of an Improvement for six months, or more, after Railroad's delivery of completed Final Engineering documents for that Improvement to State, Railroad must review those Final Engineering documents to assure that they meet. Applicable Engineering Standards. If Railroad determines that Final Engineering documents require updating, Railroad shall promptly provide State with a summary of Costs necessary to update the Final Engineering for that Improvement in accordance with Applicable Engineering Standards. If State agrees to those Costs, and desires that Final Engineering be updated, it shall propose a Task Order authorizing Railroad to update Final Engineering in accordance with Applicable Engineering Standards. After Final Engineering is updated, Railroad shall provide State with complete updates to all of its deliverables including, but not limited to, updated final plans and specifications, a critical path schedule for Construction, and a final estimate of Costs of Construction that shall be considered in the negotiation of a new, or revised, Construction Task Order.

4.11 Statement of Operating Benefits

The Statement of Operating Benefits and determination of whether and to what extent the Improvement is a Severable Improvement, when included in a Task Order for Construction, shall become binding and enforceable after the Improvement is placed In Service following Construction of the Improvement subject to appropriate agreements that authorize or obligate Amtrak, or its successor, to operate State-Supported Trains in a manner that achieves the benefits identified with respect to such trains and are acceptable to: 1. Railroad with respect to agreements between Railroad and Amtrak or Amtrak's successor; and 2. State with respect to agreements between State and Amtrak or Amtrak's successor. Neither party shall include collateral issues unrelated to the implementation of benefits, as identified by the Statement of Operating Benefits, associated with placing an Improvement In Service, including, without limitation, Railroad's additional recovery time in operating schedules for purposes of calculating on-time incentive payments, in its negotiations with Amtrak, or its successor, toward implementation of such Operating Benefit(s).

4.12 Construction-Task Order

State shall be entitled to propose a Task Order that includes Construction within its Scope of Work in conjunction with a proposed Final Engineering Task Order, or at any time before or after completion of Final Engineering by Railroad. Any Task Order that addresses Construction of an Improvement shall include:

- 4.12.1 An agreed Statement of Operating Benefits that are expected to result from the Improvement based upon Operating Simulations that may include, but shall not be limited to, the following: A. increased operating speeds and improved on-time performance of State-Supported Trains; B. increased capacity of the Rail Line for freight and/or passenger service; C. the number of additional State-Supported Trains (if any) that Railroad will allow to operate on the Rail Line under the Operating Agreement between Railroad and Amtrak after the Improvement is placed In Service; and D. factors affecting Railroad's freight locomotives, rolling stock, and operations. Such operating benefits shall be apportioned between intercity passenger service (including State-Supported Trains) and Railroad's other services on a percentage basis; and
- 4.12.2 An agreed determination whether the Improvement, or any portion thereof, is a Severable Improvement.

4.13 Risk, Indemnity, and Insurance

- 4.13.1. The parties intend that personal injury and property damage risks arising from the performance of the Work under this Agreement and any Task Order arising from this Agreement will be covered by insurance to be purchased by Railroad or Railroad's contractors or consultants, as the case may be, as set forth below. State agrees to reimburse the Railroad or Railroad's contractors for the cost of such insurance.
- 4.13.2 Insurance to be maintained by Railroad:
 - 4.13.2.A. Commercial General Liability insurance in an amount of at least \$25,000,000 per occurrence. Such insurance shall include coverage for:
 - 1. Injury to or death of persons whomsoever;
 - 2. Personal Injury, Federal Employers Liability Act, and property damage liability including but not limited to, damage or destruction of any and all property including public liability, bill of lading and foreign line rolling stock;
 - 3. Seepage and pollution coverage as a result of derailments; and
 - 4. Contractual liability for the liability assumed in this Agreement.
 - 4.13.2.B. Business Automobile Insurance. This insurance shall contain a combined single limit of at least \$5,000,000 per occurrence, and include coverage for, but not limited to, the following:
 - 1. Bodily injury and property damage; and
 - 2. Any and all vehicles owned, used or hired.

- 4.13.2.C. All Risk Builder's Risk insurance to cover buildings and structures during construction or remodeling with limits equal to the projected value of the completed structure. Coverage shall include the following:
 - 1. Issued on a replacement cost basis;
 - 2. Include a standard loss payable endorsement naming the State as the loss payee as its interests may appear; and
 - 3. Include a waiver of subrogation in favor of the State.
- 4.13.2.D. Pollution legal liability insurance in an amount of at least \$25,000,000 per occurrence and in the aggregate, including but not limited to coverage for the following:
 - 1. First party cleanup;
 - 2. Third Party Liability; and
 - 3. Defense costs.
- 4.13.3. The parties intend that personal injury and property damage risks arising from the performance of Work under a Task Order by Railroad's contractors or consultants will be covered by insurance to be purchased by such contractors or consultants, as the case may be. State agrees to reimburse Railroad or Railroad's contractors or consultants for the cost of the insurance purchased as set forth in this agreement. Railroad's contractors or consultants shall carry the following minimum insurance coverage:
- 4.13.3.A. Commercial General Liability insurance. This insurance shall contain broad form contractual liability with a combined single limit of a minimum of \$2,000,000 each occurrence and an aggregate limit of at least \$4,000,000. Coverage must be purchased on a post 1998 ISO occurrence form or equivalent and include coverage for, but not limited to, the following:
 - 1. Bodily Injury and Property Damage;
 - 2. Personal Injury and Advertising Injury;
 - 3. Fire legal liability; and
 - 4. Products and completed operations.

This policy shall also contain the following endorsements, which shall be indicated on the certificate of insurance:

- It is agreed that any workers' compensation exclusion does not apply to Railroad
 payments related to the Federal Employers Liability Act or a Railroad Wage
 Continuation Program or similar programs and any payments made are deemed
 not to be either payments made or obligations assumed under any Workers
 Compensation, disability benefits, or unemployment compensation law or similar
 law;
- 2. The definition of insured contract shall be amended to remove any exclusion or other limitation for any work being done within 50 feet of railroad property; and
- 3. Any exclusion related to the explosion, collapse and underground hazards shall be removed.
- 4.13.3.B. Business Automobile Insurance. This insurance shall contain a combined single limit of at least \$1,000,000 per occurrence, and include coverage for, but not limited to the following:

- 1. Bodily injury and property damage; and
- 2. Any and all vehicles owned, used or hired.
- 4.13.3.C. Workers Compensation and Employers Liability insurance including coverage for, but not limited to:
 - 1. Contractor's statutory liability under the worker's compensation laws of the state Washington; and
 - 2. Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 by disease policy limit, \$500,000 by disease each employee
- 4.13.3.D. Railroad Protective Liability insurance naming only the Railroad as the Insured with coverage of at least \$2,000,000 per occurrence and \$6,000,000 in the aggregate. The policy shall be issued on a standard ISO form CG 00 35 10 93 and include the following:
 - 1. Endorsed to include the Pollution Exclusion Amendment (ISO form CG 28 31 10 93):
 - 2. Endorsed to include the Limited Seepage and Pollution Endorsement;
 - 3. Endorsed to remove any exclusion for punitive damages; and
 - 4. No other endorsements restricting coverage may be added.

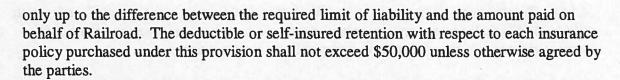
The original policy must be provided to the Railroad prior to performing any work or services under this Agreement. As respects Consultants, Railroad Protective Liability Insurance will only be required when the Consultant is engaged in work on Railroad property.

- 4.13.4 In addition to the coverage required in sections 4.13.3.A D, each Architect and Engineering Consultant shall carry Professional Liability Insurance as follows:
- 4.13.4.A. Professional Liability Insurance. Professional Liability Insurance covering the Architect or Engineering Consultant from damage resulting from negligent error, omission or acts of the Architect or Engineering Consultant, its agents, officers and employees in the performance of the professional services rendered under this agreement and for which he is legally liable. Such policy of insurance shall be in an amount not less than \$2,000,000 per claim and \$2,000,000 in the aggregate.

If the aggregate is eroded by reserve or claim payments of more than one-half the aggregate, the policy limit will be reinstated by Consultant.

4.13.5. Whenever Railroad directly procures such insurance, the premium costs shall be included in Costs. If Railroad's contractor or consultant procures such insurance, the premium costs shall be included within the contract price for such contractor or consultant.

With the exception of Pollution Legal Liability insurance all insurance policies set forth herein shall be written on occurrence forms. Railroad shall ensure that State is named as an additional insured on insurance policies acquired under this provision and that State promptly receives current certificates of such insurance showing that State has been named an additional insured. The parties agree that the coverage afforded to State as an additional insured shall not apply until all losses incurred by Railroad have been exhausted, and then



4.14 Construction and Change Orders

- 4.14.1. Following execution of a Task Order for Construction of an Improvement, Railroad shall proceed to perform the Scope of Work of that Task Order in accordance with the requirements of the final design documents and Applicable Engineering Standards. State shall have the right to observe, inspect, and comment upon the Work as specified in Article 7, Record Keeping, Inspection, and Audit. In the event State determines, following such review, that Railroad's Work does not comply with the requirements of the Task Order, State may dispute Railroad's portions of that invoice that relate to the contested Work in accordance with Section 4.17.
- 4.14.2. During Construction, changes to Work shall be documented by Railroad and submitted to State in writing within 15 days of encountering the changed condition. If changes to any elements of the Work will require an alteration in the final design and/or schedule for the Work, Railroad documentation shall include a written statement describing the necessity for, and scope of, the change. If previously unidentified Impacted Soils or Other Environmental Conditions are encountered during Construction, Railroad shall give State immediate notice of that fact. Construction shall cease in the area of such Impacted Soils or Other Environmental Conditions until further procedures are undertaken in accordance with this Section 4.14.
- 4.14.3. Agreed design and/or scope changes to the Work shall proceed only upon execution of an appropriate change order or, in unusual cases, upon State's written commitment to execute an appropriate change order; Provided, however, that changes to the final design of the Improvement, the schedule and/or the scope of the Work that will not materially affect the quality and functionality of the Improvement, depart from Applicable Engineering Standards, nor result in any increase in the Cost of the Work that is changed may proceed without a formal change order.
- 4.14.4. If a change to the Work is caused by unexpected site conditions or a need to revise the design for the Improvement, then the Work, to the minimum extent necessary, shall be suspended pending negotiation of an appropriate Change Order. Should the parties fail to reach agreement upon the terms and conditions for any such Change Order, all unresolved issues shall be submitted to the dispute resolution processes set forth in Sections 4.29 and 4.30 below.
- 4.14.5. Whenever a change order is required, Railroad shall submit detailed written proposals to State for changes to the final plans and specifications. Each proposal shall contain a detailed explanation describing the: A. Nature of, and purpose for, the change; B. Cost estimate for the change; and C. Impact of the change upon the Construction Schedule.

- 4.14.6. To avoid any undue delay to the Work that could result in increased Cost for such Work, BNSF shall present and process its proposals in a timely manner and State shall review and process any change order proposal in a timely manner.
- 4.14.7. Change Orders which result in increased Costs shall be subject to the same provisions, including apportionment pursuant to Section 4.18, as Task Orders.
- 4.14.8. Failure to agree on the funding or apportionment of any Change Order within one (1) year shall be deemed a termination by State pursuant to Section 4.22.

4.15 Real Property Acquisition

In the event any interests in real property (other than real property required for Wetland Mitigation) must be acquired for Construction of an Improvement (including, without limitation, temporary rights for access and storage of materials), Railroad shall acquire such interest as agreed upon in a specific Task Order relating to that acquisition. The parties contemplate that, in most cases, Railroad shall acquire such interests prior to completion of Final Engineering. All expenses incurred by Railroad in connection with such acquisition that are authorized by a Task Order, including environmental remediation, shall be considered Costs. To the extent such acquisition expenses, including environmental remediation, will exceed the expenses authorized by such Task Order, then Railroad must obtain agreement of State by an Amendment to the Task Order before incurring those expenses in order to obtain reimbursement for those additional Costs.

4.16 Funding

State shall not execute any Task Order unless sufficient funds have been appropriated, granted, or obtained and are available for State's share of Costs identified by that Task Order.

4.17 Invoices

- 4.17.1. A party entitled to payment under a Task Order shall submit invoices to the obligated party for payment at no less than thirty (30) day intervals.
- 4.17.2. Each invoice submitted by Railroad shall seek payment only to the extent of reimbursable Costs associated with completed Work. Costs for labor, materials, contracted services, equipment, and transportation shall be segregated on all invoices. State shall pay each invoice, except for disputed items on that invoice, within thirty (30) days of receipt of the invoice.
- 4.17.3. Each invoice submitted by State shall seek payment only to the extent of State's unreimbursed share of Railroad's Apportioned Costs described in Section 4.18.2. Invoices for State's unreimbursed share of Railroad's Apportioned Costs shall segregate labor, materials, contracted services, equipment, and transportation. Railroad shall pay each invoice, except for disputed items on that invoice, within thirty (30) days of receipt of the invoice.

4.17.4. Either party may dispute any item included in an invoice on appropriate grounds including challenges to the inclusion of Costs that are incorrectly calculated or billed or that an item does not comply with the requirements of the Task Order or other elements of this Agreement. The objecting party shall notify the billing party of any disputed items and pay all undisputed items within thirty (30) days of receipt of the invoice. The parties shall attempt to resolve all disputes within thirty (30) days of the date of notice of the dispute. At or before the end of said period the objecting party shall submit any items that remain disputed to arbitration under Section 4.30. Failure to object to or comment during the performance of the Work shall not be deemed a waiver of a party's right to dispute an invoice for such Work in accordance with this provision. Payments for any undisputed item(s) that are not made by the obligor within (30) days of the obligor's receipt of an invoice shall be subject to payment of interest in accordance with state law. The obligated party shall pay all items with respect to which disputes have been resolved by agreement or arbitration within thirty (30) days of the date such dispute was resolved subject to payment of interest in accordance with state law.

4.18 Railroad's Payment of Apportioned Costs

4.18.1. Costs incurred through the Task Order Procedure for each Improvement of the Rail Line shall be apportioned between the parties in accordance with the percentages of operating benefits included in the Statement of Operating Benefits for that Improvement that the parties have agreed pursuant to Section 4.11 are attributable to intercity passenger service (including State-Supported Trains) and to Railroad's freight service. Railroad's determination to fund the apportionment of Costs of any Improvement attributable to Railroad's freight service will be subject to the same process of prioritization and evaluation as other capital expenditures by Railroad; Provided, however, that Railroad reserves the right, at its sole discretion, to not fund any Improvement for whatever reason. Such determination by Railroad shall not be subject to arbitration or other review. State may require Railroad to determine whether it will fund its apportioned share of Costs related to any Improvement at any time after completion of a Task Order for Preliminary Engineering of that Improvement. Railroad shall make that determination and notify State thereof as timely as possible. If Railroad determines that it will fund its apportioned percentage of Costs, that determination shall be included in the next Task Order for Work related to that Improvement, but no sooner than the completion of Preliminary Engineering, and Railroad shall be bound to contribute its apportioned percentage of Costs related to the Improvement in accordance with the procedures set forth in Section 4.18.2. If Railroad determines that it will not fund its apportioned percentage of Costs, State may still elect (assuming that Railroad is agreeable to all other aspects of any such proposed Task Order(s)) to issue Task Orders for Permitting and Approvals, Final Engineering, and Construction of an Improvement, with Work thereunder to be performed at State's sole expense following execution of such Task Order(s) by the parties.

4.18.2. In the event Railroad has agreed to bear a portion of the Costs associated with an Improvement in accordance with Section 4.18.1, Railroad shall reduce its Section 4.17 billings pro-rata to account for Railroad's share of Apportioned Costs.

4.18.3. To the extent that State will not be fully compensated for Railroad's share of Apportioned Costs under the procedures specified in Section 4.18.2, State shall have the right under applicable Section 4.17 billing procedures to submit an invoice for any unpaid share of Railroad's apportionment of Costs.

4.19 Correction of Billing Errors

Each party reserves the right to correct any error(s) in any invoice(s) that is disclosed in a subsequent audit, or otherwise.

4.20 Substantial Completion--Procedure

Upon Substantial Completion of the entire Scope of Work in any Task Order, Railroad shall provide State with a Notice of Substantial Completion of that Work. State shall then review the status of that Work and shall notify Railroad within thirty (30) days of receipt of such Notice of Substantial Completion that it either accepts the Notice of Substantial Completion or disputes that Substantial Completion has been achieved. In the event State fails to provide such notice to Railroad within the aforesaid thirty (30) day period, State shall be deemed to have accepted Railroad's notice of Substantial Completion. The parties shall attempt to resolve all disputes within thirty (30) days of the date of State's notice regarding the status of Substantial Completion. To the extent such disputes cannot be resolved, State shall be obligated to submit unresolved disputes to arbitration under Section 4.30 within thirty (30) days of the date of State's notice disputing the status of Substantial Completion; otherwise State shall be deemed to have accepted all previously unresolved elements of Railroad's Notice of Substantial Completion. Railroad shall place each Improvement In Service following State's acceptance of the Notice of Substantial Completion, or resolution of disputed elements of Railroad's Notice of Substantial Completion in accordance with the terms of this Section, whichever event last occurs.

4.21 Task Order Closeout-Procedure

- 4.21.1. Railroad shall submit its final invoice not less than thirty (30) days following Substantial Completion of the Scope of Work included in each Task Order ("Final Invoice"), but in no event prior to completion of the Scope of Work. State shall pay each Final Invoice in accordance with Section 4.17, subject to the additional requirement that the State shall have no obligation to pay a Final Invoice (or interest thereon) prior to completion of the Scope of Work.
- 4.21.2. If, after Closeout of a Task Order, an audit, subsequent tax obligation, or other event indicates that an otherwise reimbursable Cost remains to be paid by State, or reimbursed to State by Railroad, then the affected Task Order may be reopened to address that obligation.
- 4.21.3. Railroad shall submit to State its determination of the Capitalized Value of each Improvement that has been completed under a Construction Task Order.

- 4.21.4. The parties shall amend Exhibit 6 as of January 1 of each year by adding a list of all Improvements completed and with respect to which a Final Invoice was paid during the preceding calendar year, including the Capitalized Value for such Improvement(s).
- 4.21.5. The parties shall attempt to resolve all disputes under this Section in accordance with Sections 4.29, **Disputes**, and 4.30, **Arbitration**.

4.22 <u>Termination/Suspension for Convenience</u>

State may, for its own convenience and at its sole discretion, suspend or terminate any Task Order, or any Work under a Task Order, in part or in whole, for any reason including, but not limited to, shortfall or withdrawal of funding necessary to cover the State's apportionment of Costs required to complete all Work included in that Task Order; Provided, however, in no event shall State execute a Task Order when it has not appropriated sufficient funds to avoid interruption of Railroad operations in the event Work is terminated or suspended. In the event of termination or suspension under the authority of this Section, the following processes shall apply:

- 4.22.1. State shall provide thirty (30) days' prior notice in writing to Railroad of State's intent to terminate or suspend any Task Order, or any Work under a Task Order, stating the effective date for such termination or suspension;
- 4.22.2. Upon termination or suspension of a Task Order, in whole or in part, Railroad shall cease performing suspended or terminated Work under that Task Order and shall provide State with a final invoice for Costs incurred by Railroad in performing such Work up to the date of suspension or termination under the affected Task Order which State shall pay in accordance with Section 4.17.
- 4.22.3. When a Task Order is terminated in whole or in part under this Section, that termination shall be treated as a deletion of work for payment purposes under Section 4.17.
- 4.22.4. In the event a Task Order is terminated in whole prior to completion of the Work, Railroad shall be entitled to cease all Work and close out the Work by performing such additional work as is reasonably necessary to return Railroad 's railroad property to an operating condition that is safe and efficient as prior to commencement of the Work. State shall be required to pay or reimburse Railroad for all costs of such close out work, and for any additional costs (subject to Section 4.22.5 below) incurred by Railroad as a result of cessation of the Work, except to the extent that any termination of this agreement is caused by Railroad 's material breach of this Agreement.
- 4.22.5. Costs associated with suspended or terminated Work shall not exceed the amount of unexpended funds under the pertinent Task Order, or recapture under allocated overhead expenses incurred in anticipation of completing the original Scope of Work in the Task Order.

- 4.22.6. Following suspension or termination of Work under this section, Railroad shall submit to State Railroad's detailed written explanation of its Work described in Section 4.22.4, including any plans and specifications for such Work and a detailed description of the nature and timing of, purpose for, and the estimated cost for such Work.
- 4.22.7. Railroad shall submit invoices for its allowable Costs under Section 4.22.4 pursuant, and subject to, the procedures and rights described in Section 4.17.
- 4.22.8. In State's sole discretion, State may remove or modify any suspension to allow for partial, or complete, resumption of Work under a previously suspended Task Order. In such event, State shall direct Railroad, by at least ninety (90) days' prior notice, to resume the suspended Work. In that event, the Schedule shall be adjusted to reflect any impacts caused by the suspension and the parties shall negotiate and execute an Amendment to the Task Order that will address unanticipated Costs, or reductions in Costs, incurred by Railroad related to the resumption of the Work after any such suspension.

4.23 Materials

All materials or parts ordered by or delivered to Railroad specifically for the Work ("Materials") shall be and remain the property of Railroad.

4.24 Salvage

Railroad shall either reclaim or dispose of all salvageable materials removed from the Rail Line by Railroad and replaced during Construction of an Improvement pursuant to this Agreement. The Scrap Salvage Value of Disposed Materials, or Secondhand Value of Reclaimed Materials, shall be credited to the parties in accordance with their respective apportionment of operating benefits and Costs. If, as part of the Work, any grade crossing signals are replaced, Railroad shall notify State of the replacement, identifying types and quantities of replaced signal material, and State shall take possession of the replaced signals within thirty (30) days of such notice. If State does not take possession of the replaced signals within said 30-day period, Railroad may dispose of, or reuse, the signals at its discretion with no adjustment to the State.

4.25 Railroad Project Management

- 4.25.1. Railroad shall provide an estimate of the number of person-years of Railroad employee effort required to provide project management services in support of Work performed during each biennium this Agreement is in effect, commencing on July 1, 2003. Employees shall be selected by Railroad based on their qualifications, availability, and ability to provide such services.
- 4.25.2. On an annual or biennial basis, Railroad and State may elect to enter into a separate Multiple Project Railroad Support Team Task Order covering project management services. When a Railroad employee providing project management services under a Multiple Project Railroad Support Team Task Order is engaged in Work attributable to a

Project-specific Task Order, Costs attributable to such services shall be billable only under the Multiple Project Railroad Support Team Task Order.

4.25.3. It is the intent of this Section to assure that Costs associated with employees named in a Multiple Project Railroad Support Team Task Order shall be charged to State only once, whether under a Multiple Project Railroad Support Team Task Order as a direct Cost or by application of Additive Rates to work under a Task Order.

4.26 Objections to Personnel

By notice to the other party, either party may object to the assignment of any employee to provide services under, or relating to, a Task Order. If the employer agrees, that party shall substitute another qualified employee, subject to applicable human resources procedures and policies and applicable law. Either party's decision on the replacement of any such individual shall be final.

4.27 Consultants

Each party may engage one or more consultants to assist it in performing the functions described in this Article 4. Before engaging a consultant, the engaging party will notify the other party and consult with the other party regarding selection of the consultant; Provided, however, that the engaging party shall retain complete discretion regarding consultant selection notwithstanding any objection from the other party. Railroad will select consultants from the list it provides to State under Section 4.4.1, as amended in its discretion, on a competitive basis (based upon standards of qualifications and cost) to the extent reasonably practical when more than one consultant is qualified and willing to perform the services. State will select consultants from the list it provides to Railroad under Section 4.4.1 on a competitive basis in accordance with state law and contracting procedures. All solicitation packages submitted to consultants by Railroad shall include a provision authorizing Railroad to reject all bids for its convenience.

State shall have the right to direct Railroad to take all necessary and reasonable measures to liquidate and collect upon any claims against a consultant or to take assignment of any such cause of action from Railroad. Should Railroad proceed to liquidate and collect upon any claims against a consultant then Railroad shall be entitled to invoice any Section 2.9.11 Costs associated with such endeavor under Section 4.17 procedures. Should State elect to take assignment of Railroad's cause of action, then Railroad shall fully cooperate and provide assistance to State in its prosecution of that cause of action.

4.28 Contractors

Either party is likely to engage one or more contractors to assist it in performing Work described in this Article 4. Before engaging a contractor, the engaging party will notify the other party and consult with the other party regarding selection of the contractor; provided, however, that the engaging party shall retain complete discretion regarding contractor selection notwithstanding any objection from the other party. Railroad will select contractors from the list it provides to State under Section 4.4.1, as amended in its discretion, on a competitive basis (based upon

standards of qualifications and cost) to the extent reasonably practical when more than one contractor is qualified and willing to perform the services. State will select contractors from the list it provides to Railroad under Section 4.4.1 on a competitive basis in accordance with state law and contracting procedures. All solicitation packages submitted to contractors by Railroad shall include a provision authorizing Railroad to reject all bids for its convenience.

State shall have the right to direct Railroad to take all necessary and reasonable measures to liquidate and collect upon any claims against a contractor or to take assignment of any such cause of action from Railroad. Should Railroad proceed to liquidate and collect upon any claims against a contractor then Railroad shall be entitled to invoice any Section 2.9.11 Costs associated with such endeavor under Section 4.17 procedures. Should State elect to take assignment of Railroad's cause of action, then Railroad shall fully cooperate and provide assistance to State in its prosecution of that cause of action.

4.29 Disputes

- 4.29.1. Processes to resolve Disputes arising in the performance of obligations under this Article 4, including the performance of obligations under any Task Order, must be initiated by written notice.
- 4.29.2. If there is a dispute between the parties regarding right(s) or obligation(s) under this Article 4, including the performance of obligations under any Task Order, the parties shall attempt to meet and confer in a prompt manner in order to resolve that dispute. If the Dispute is not resolved within a reasonable period of time by agreement of the parties, then either party shall be entitled to seek arbitration of the Dispute.
- 4.29.3. Unless otherwise directed by State, Railroad shall continue performance under this Agreement while matters in dispute are being resolved.
- 4.29.4. Subject to the parties' obligations to meet and confer as defined in Section 4.29.1, a claim for damages or the equitable remedies of specific performance and/or injunction may be posed with respect to unresolved and disputed obligations or rights under any Task Order. Any claim for damages under Article 4 of this Agreement shall be limited to a claim for monies owed under a Task Order including, but not limited to, amounts due but unpaid and recovery of overpayments. Under no circumstances shall Railroad's determination whether and in what amount it will fund its Apportioned Costs be subject to dispute resolution by arbitration or otherwise; Provided, however, that State shall retain all rights under this Agreement to enforce Railroad's Apportioned Costs once Railroad agrees to be contractually bound to a share of Apportioned Costs pursuant to Section 4.18.
- 4.29.5. All claims, counterclaims, disputes, and other matters in question between the State and Railroad arising out of or relating to Disputes under Article 4 will be decided by arbitration in accordance with the provisions of Section 4.30, except in the case of an emergency where a breach under Article 4 has the potential to cause physical harm to persons or property or to materially interfere with train operations, whence either party shall have the right to apply for judicial relief in King or Thurston County Superior Court,

or in the federal District Court for Western Washington, pending implementation of the arbitration procedures under Section 4.30.

4.30. Arbitration

If at any time a dispute shall arise between the parties concerning the interpretation or application of any Task Order or Amendment to Task Order, including, without limitation, disputes over any invoice issued pursuant to a Task Order, and such dispute cannot be resolved through the dispute resolution procedure under Section 4.29, such question or controversy shall be submitted to and settled by a single, competent and disinterested arbitrator at the election of either party in accordance with the following procedures:

- 4.30.1. The party demanding arbitration (the "Demanding Party") shall notify the other party (the "Noticed Party") in writing of such demand, stating one or more disputes to be settled. The Demanding Party shall simultaneously request the American Arbitration Association to appoint a single, competent and disinterested arbitrator in compliance with its Rule for Appointment of Neutral Arbitrator. Upon selection, said arbitrator shall, with reasonable diligence, give both parties reasonable notice of the time and place of hearing evidence and argument (that shall be determined by the arbitrator, but shall be at a location in King or Thurston County, Washington), take such evidence as is admissible under Federal Rules of Evidence 101 through 1103 with witnesses required to be sworn; and hear arguments of counsel or others. After considering the evidence, the arbitrator shall promptly (but in no event more than 180 days from the date of the initial notice of arbitration) state his or her decision or award in writing. The arbitrator shall have authority to make his or her award on the basis of this Agreement and applicable law including an award under the equitable remedies of specific performance or injunction. Said award shall be final, binding, and conclusive on both parties when delivered to them, and each party shall comply with it immediately. Both parties shall continue performance in accordance with this Agreement while the arbitration is pending.
- 4.30.2. Each party shall pay the compensation and expenses of the arbitrator and other costs associated with arbitration in equal shares. Each party shall bear its own arbitration costs, including attorney's fees and expert fees. The records and accounts of both parties shall be open to the examination of the arbitrator to the extent they are relevant to the dispute or disputes submitted to arbitration.
- 4.30.3. Arbitration shall be governed by, and any award may be enforced under, the U.S. Arbitration Act, 9 U.S.C. Secs. 1-16, to the exclusion of any provisions of state law that may be inconsistent therewith or that would produce a different result.

4.31 Survival of Obligations upon Termination of Task Order(s)

In no event shall any termination of any Task Order(s) for convenience, lapse of time, agreement of the parties, or otherwise reduce Railroad's obligation(s) to provide the specified Operating Benefits associated with Improvements placed In Service; nor shall any default by Railroad in

any way affect State's rights to a Settlement of Account(s) Relating to Severable Improvements as provided in Article 11.

4.32 Task Order Compliance with Federal Requirements

If State intends to pay its apportionment of Costs (in whole or in part) under a Task Order with federal funds, then the Task Order shall be drafted to specify, prior to execution, all federal requirements that will apply.

5. Safety

All Work and other activities under this Agreement shall be conducted in accordance with applicable environmental, health and safety plans, Railroad's safety rules and applicable Federal and State laws and regulations. Railroad must approve all requests for access to Railroad's property by State, its employees and consultants. Such requests must be submitted to Railroad at least 48 hours in advance of the desired date of access (disregarding weekends and holidays recognized by Railroad), and Railroad shall exert its reasonable efforts to respond to all such requests within 24 hours of receipt. State shall comply with all Railroad requirements for flag or other protection in accordance with Railroad's safety rules, and the cost of such protection shall be considered Costs. At all times, State shall exercise due care with respect to the environmental condition of the Rail Line.

6. Operating Performance Obligations of Railroad.

When an Improvement is placed In Service, Railroad agrees to increase maximum passenger train speeds and to make other changes in its operating rules and practices necessary to achieve the Statement of Operating Benefits that the parties have agreed in all applicable Task Orders for that Improvement in accordance with Section 4.11 that will result from that Improvement, subject to applicable legal requirements; Provided, however, that increases in maximum passenger train speeds may vary from those agreed upon by the parties to the extent equipment used for State-Supported Trains has operating characteristics different than the equipment that the Operating Simulations on which the Statement of Operating Benefits was based had assumed would be used. Railroad further agrees to implement in a timely manner intercity passenger train schedule adjustments and other changes as necessary to comply with the Statement of Operating Benefits in connection with each Improvement when that Improvement is placed In Service. It is the intention of the parties that no increase in recovery time or other schedule allowance for late operation of State-Supported Trains negotiated by Railroad and Amtrak shall reduce the operating benefits set forth in the Statement of Operating Benefits agreed upon by the parties in connection with any Improvement. With the exception of Railroad's rights reserved by Article 27, nothing in this Agreement is intended to limit State's right to request the operation of additional State-Supported Trains under its agreements with Railroad and Amtrak outside of the Improvement procedures established by Article 4. If a Statement of Operating Benefits incorporated in a Task Order includes the operation of additional State-Supported Trains, such additional State-Supported Trains shall not be operated until the Improvements included in that Task Order are In Service.

7. Record Keeping, Inspection and Audit.

- 7.1 Railroad will keep detailed and accurate records and accounts of all labor, materials, supplies, incidentals and all other necessary costs involved in carrying out the Work included in each Task Order and will provide any authorized representative of State access to such records in the place where they are normally maintained at any time during regular office hours for a period of three years from the State's receipt of Railroad's final invoice with respect to that Task Order. State shall be entitled to request copies of such records at a reasonable price consistent with current market prices at the time of the request for such copies.
- 7.2 State reserves the right, upon reasonable advance notice to Railroad, to audit all records and accounts, including but not limited to change orders, invoices, and equipment use, related to Railroad's accounting and performance regarding Work performed under any Task Order for a period of three (3) years from the date of State's receipt of Final Invoice for the Work included in that Task Order. In every contract with a consultant or contractor to perform Work, Railroad shall reserve to State the right to audit all records and accounts of the consultant or contractor related to the Work for a period of three (3) years from the date Railroad receives the final invoice of the consultant or contractor for that Work. Railroad shall reimburse State for any error or adjustment disclosed by audit.
- 7.3 Commencing on the date of execution of a Task Order through completion of the Scope of Work for work authorized by that Task Order, State, through its employees and/or representatives, shall have the right to observe, inspect, and comment upon the products of Railroad's Work including, but not limited to, any Work in progress, materials incorporated into the Work, and completed Work, subject to compliance with Article 5.

8. Assignment of Receivables.

Railroad may assign any receivables due under this Agreement; provided, however, that such assignment will not relieve Railroad of any of its rights or obligations under this Agreement, including, without limitation, the obligation to reimburse State for errors and adjustments disclosed by audit pursuant to Section 7.2.

9. Third Party Funding.

It is the intent of the parties to secure funding for the Work from the federal government or other sources. Railroad agrees to cooperate reasonably with State to qualify the Work for such third party funding, which shall be credited to State's apportionment of Costs in accordance with the agreement of the parties in the applicable Task Order.

10. Ownership of Improvements.

All Improvements, excepting Wetland Mitigation constructed on property not owned by Railroad, shall be and remain the property of Railroad.

11. Settlement of Accounts Relating to Severable Improvements.

It will be necessary to settle all accounts with regard to each Severable Improvement after a decision by State to discontinue, suspend, or abandon operations of State-Supported trains using that Improvement. The parties agree to defer negotiation of an agreement regarding the methodology and substance for such settlement(s) as a component of the pending negotiations for the proposed Operating and Maintenance Agreement. An Operating and Maintenance Agreement must be executed and in effect prior to the execution of any Task Order for Construction of a Severable Improvement.

The parties also agree that, for purposes of settlement of any account regarding a Severable Improvement, all personal property and fixtures will retain a value, if any, calculated as the original Capitalized Value for those assets depreciated at a straight line rate over a fifteen (15) year useful life period and real property will permanently retain its original Capitalized Value.

12. Force Majeure.

The failure of either party to perform, in whole or in part, any of its obligations under this Agreement, by reason of the occurrence of fire, flood, earthquake, explosion, natural disaster, strike, unavailability of materials or any other cause beyond the reasonable control of that party (herein called a "Force Majeure Occurrence") shall be excused for all purposes (including times of performance), provided that the affected party shall promptly notify the other party of the Force Majeure Occurrence and shall promptly resume fulfillment of its obligations hereunder when the Force Majeure Occurrence abates.

13. Successors and Assigns; Assignment.

13.1 This Agreement shall bind and inure to the benefit for and obligation of any successors and assigns of Railroad. State may not assign any of its rights under this Agreement, except for ownership and maintenance of Wetland Mitigation, without Railroad's consent in writing; provided, however, that State may designate Amtrak or its successor as its operator of intercity rail passenger service over the Rail Line without the written consent of Railroad if Railroad has an agreement with Amtrak or its successor for such service, or State may operate such service either directly or through a contract operator reasonably satisfactory to Railroad subject to an agreement acceptable to Railroad to cover operating procedures, safety, training, regulatory compliance, costs and risks of liability associated with such operation, or in accordance with Section 13.2. Any successor to either party will be required to accede to all of the terms, conditions, obligations and requirements of this Agreement as a condition precedent to succession.

13.2 If, prior to June 30, 2023, Amtrak, or any successor to Amtrak, ceases operation of intercity rail passenger service over the Rail Line, or any portion thereof, Railroad agrees to grant State, either directly or through a designee acceptable to Railroad, the right to continued enjoyment of the Operating Benefits associated with and identified by any and all Task Orders under this Agreement subject to the same terms and conditions covering operating procedures, safety, training, regulatory compliance, costs and risks of liability that govern operation of intercity rail passenger service over the Rail Line in effect between Railroad and Amtrak or its

successor at the time such service is terminated, with State assuming the rights and obligations of Amtrak or its successor with respect to such service as of the date of commencement of State's operations. State shall have thirty (30) days from the date on which Amtrak or its successor ceases such service to notify Railroad that it desires to assume those rights and obligations.

14. Termination of this Agreement for Convenience

- 14.1 Either party may terminate this Agreement for its own convenience for any reason whatsoever by providing written notice to the other party of its intent to terminate this Agreement, stating the effective date for such termination
- 14.2 Upon termination of this Agreement, Railroad shall complete Work under all pending Task Orders that are not otherwise terminated under Section 4.22.
- 14.3 Termination hereunder shall not affect accrued Operating Benefits.

15. Taxes

15.1 Determination of Amount of Reimbursable Taxes

In determining the Taxes payable as Costs hereunder, proper adjustment shall be made to reflect tax benefits and detriments incurred by Railroad in connection with the payments as well as the time value of money, all with the intent that Railroad shall be made whole on an "after-tax basis," i.e., in an amount that will place Railroad in the same position as if no Tax had been incurred by Railroad and no tax payment had been made by Railroad assuming Railroad takes whatever actions are reasonably available to it to minimize its net liability for Taxes.

15.2 Initial Payment of Reimbursable Taxes

Subject to the contest provisions of Section 15.3 hereof, Taxes payable as Costs hereunder shall be paid by State within 30 days of a written notice by Railroad pursuant to Section 4.21.2 of this Agreement, specifying the amount of such Taxes.

15.3 Contested Taxes

Railroad shall pay all Taxes payable as Costs hereunder, at the time and in the amount that Railroad determines in its reasonable judgment to be due for a particular period. Upon receipt of written notice that a taxing jurisdiction is asserting that additional Taxes payable as Costs hereunder are due, Railroad shall promptly notify State, provided that any failure to do so shall not prejudice Railroad's rights to payment of Taxes as Costs except to the extent that State is actually harmed by such failure. Upon receipt of such notice, State has the right to request Railroad to contest such additional Taxes by: (i) giving written notice to Railroad that State accepts responsibility for the costs of such contest and the payment of any Taxes ultimately determined to be due, and (ii) presenting satisfactory evidence of its ability and commitment to pay such Taxes promptly. Similarly, to the extent permitted by law, State shall be entitled to seek refunds of any Taxes paid as Costs by giving written notice to Railroad that State accepts responsibility for the costs of such refund claim and for the payment of any additional amounts determined to be due in the course of prosecuting the refund claim. In either event, Railroad shall cooperate with State at no cost to Railroad. If the Taxes must be paid (or placed in escrow)

in connection with the adjudication of any such contest, including appeals, State shall be entitled to any related refunds. Railroad shall consult with State in good faith in determining the nature of actions to be taken under this Section. State shall reimburse Railroad's reasonable out-of-pocket costs, including attorney's fees that Railroad incurs in connection with its cooperation under this Section.

15.4 Termination of Agreement

Notwithstanding anything to the contrary in this Agreement, the terms of the Agreement pertinent to the payment Taxes as Costs shall remain in effect until all relevant taxation statutes of limitation have expired on the assessment of Taxes payable to Railroad as Costs.

15.5 Ad Valorem Taxes

15.5.1. To the extent that Railroad's ad valorem tax liability is greater than it otherwise would be as a result of State's investments in the Improvements (the difference being referred to herein as "State's Share of Ad Valorem Taxes"), State shall reimburse Railroad for State's Share of Ad Valorem Taxes levied on Railroad's ownership interest in the Improvements as a result of Construction under the terms of this Agreement.

State shall annually pay State's Share of Ad Valorem Taxes attributable to that tax year. State's Share of Ad Valorem Taxes shall be the difference between Railroad's actual ad valorem Taxes for the tax year and the estimated ad valorem Taxes for the same tax year computed to exclude the gross investment in the Improvements from Railroad's allocation factor.

For each tax year, Railroad will bill State for State's Share of Ad Valorem Taxes and provide the following documentation in support of the bill:

- 1. Portion of Railroad's Annual Report to the Washington Department of Revenue for that tax year showing Railroad's total gross road investment in Washington and in Railroad's entire rail system.
- 2. Railroad schedule showing the amount of gross investment in the Improvements included in Railroad's total gross road investment in Washington and in Railroad's entire rail system (the amounts described in 1 above).
- 3. Washington Department of Revenue schedule showing the calculation of Railroad's actual allocation factor for the tax year.
- 4. Railroad schedule showing the calculation of Railroad's allocation factor for the tax year adjusted only to exclude the gross investment in the Improvements amounts in 2 above.
- 5. Railroad schedule showing State's Share of Ad Valorem Taxes as the difference in the computations of actual and estimated ad valorem Taxes of Railroad; all variables in each computation to be the same except for the different allocation factors computed in 3 and 4 above.

15.5.2. The method used to compute State's Share of Ad Valorem Taxes pursuant to Section 15.5.1 shall be in effect as long as the State of Washington Department of Revenue uses the Unit Method of Value to determine the taxable value of Railroad's property in the state of Washington. If the method used to determine the taxable value of Railroad's property in the State of Washington should change to a method different from the Unit Method of Value, Railroad shall notify State in writing, and both parties shall negotiate in good faith to determine a revised tax allocation formula that reflects the new method of valuation.

15.6 Taxes Previously Paid

In no event shall State be liable under this Agreement for Taxes previously paid by State.

16. Waiver

No action or failure to act by either party to this Agreement shall constitute a waiver of any right or duty afforded to either party under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence to any breach hereunder, except as may be specifically agreed in writing.

17. Survival of Obligations upon Termination of this Agreement

In no event shall a termination of this Agreement or any Task Order as a result of termination of the Agreement or any pending Task Order by agreement of the parties, or under Article 14 or Section 4.22, as the appropriate case may be, reduce either party's executory obligations under the affected Agreement or Task Order including, but not limited to Railroad's obligation(s) to provide the Operating Benefits with respect to Improvements In Service nor in any way affect the ownership of the Improvements.

18. Neither Party is an Agent or Otherwise in the Employ of the Other Party

Neither party to this Agreement is not an agent nor otherwise an employee or independent contractor of the other party. Likewise, the employees, agents, and contractors of a party shall not in any way be deemed to be the agents, employees, or independent contractors of the other party solely by virtue of the provisions of this Agreement.

19. Withdrawals or Noncommission of Work

Subject to the following exceptions, neither party shall have a claim or cause of action against the other party for reimbursement, refund, damages or equitable relief on grounds that a party relied to its detriment or otherwise expected or anticipated construction of any Improvement, or any combination of Improvements, included in the Conceptual Plan which are not constructed as a result of termination of the Agreement or of any pending Task Order by agreement, under Article 14, or under Section 4.22, as the appropriate case may be. The sole exceptions to the operation of this proviso are State's rights to:

- 19.1 Operating Benefits relating to Improvements In Service; and
- 19.2 Recoup Costs incurred under any Task Order that has been terminated due to nonprosecution of the Work or other default in performance by Railroad,

20. Governing Law; Legal Compliance

This Agreement shall be governed by the laws of the State of Washington. The parties agree to comply with all laws and regulations governing performance of their obligations under this Agreement.

In the case of any dispute regarding this Agreement that is not addressed by Section 4.29, the parties agree that any action shall be brought in King or Thurston County Superior Court, or in the United States District Court, Western Washington District, at the election of the complaining party.

21. Headings

The article and section headings of this Agreement are for convenience and reference only and in no way define, limit or describe the scope or the intent of any section of this Agreement.

22. Amendments

No modification, addition or amendment to this Agreement shall be effective unless and until such modification, addition or amendment shall be reduced to writing and executed by authorized officers or agents of each party.

23. Notices

Except as otherwise specified in this Agreement, all requests, notices, demands, authorizations, directions, consents, waivers or other documents required or permitted under this Agreement shall be in writing and shall be delivered in person to, deposited postage prepaid in the registered or certified mail of the United States, or sent via facsimile with confirming copy by overnight parcel service, addressed to State at:

Washington State Department of Transportation
Transportation Building
P. O. Box 47387 (for overnight parcel service: 310 Maple Park Ave SE)
Olympia, WA 98504-7387
Attention: Manager, Rail Office
Fax No: 360-705-6821

Or to Railroad at:

The Burlington Northern and Santa Fe Railway Company 3017 Lou Menk Drive Fort Worth, TX 76131-2830 Attention: Vice President, Engineering

Fax No: 817-352-3649

Or to such person and such other address or fax number as either party may at any time or from time to time designate for itself by notice in accordance herewith. Each such request, notice, demand, authorization, direction, consent, waiver or other document shall be deemed to be delivered to a party when received at its address set forth or designated as provided above.

24. Counterparts

This Agreement may be simultaneously executed in duplicate counterparts, each of that so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

25. Entire Agreement

This Agreement, including the exhibits attached hereto, embodies the entire Agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or other undertakings, oral or otherwise, other than those expressly set forth or referred to herein.

26. Invalidity and Severability

If any provision of this Agreement is held to be invalid, void or unenforceable, such invalidity shall not affect other provisions or application of the Agreement which can be given effect without the invalid provision or application, and to that extent the provisions of this Agreement shall be severable.

27. Special Provision Regarding Seattle-Vancouver, British Columbia State-Supported Trains

Railroad and State expressly reserve their respective rights with respect to operation and discontinuance of the second daily State-Supported Train operating in each direction between Seattle, Washington and the U.S.-Canada border, as stated in Exhibit 5, in the event the Improvements set forth in Exhibit 5 are not completed.

28. Special Provision Regarding Drawbridges and Customs Delays

Railroad and State agree that there may be drawbridge openings and closings, and U.S. or Canadian Customs delays, which may delay intercity passenger trains operating on the Rail Line. Such events are beyond the control of the parties hereto and therefore should not constitute breach of this Agreement.

29. Special Provision Regarding Out-of-State Improvements

By entering into this Agreement, Railroad does not intend to represent that it has any responsibility under this Agreement for the improvement of trackage connecting with the Rail Line and lying outside the State of Washington as a condition for the operation of additional State-Supported Trains on the Rail Line. The status of work and capacity outside the State of Washington will not affect Railroad's obligations to provide agreed Operating Benefits within the State of Washington with respect to a completed Task Order in accordance with the terms of the Task Order and this Agreement.

30. Special Provision Regarding Improvements Between Nisqually Junction and Reservation

This Agreement supersedes Section 16, **Refund for Crossover**, and the depreciation schedule in Exhibit C of Agreement RR-00223 between the parties dated December 31, 1997. The extent to which Improvements made in the segment of the Rail Line between Nisqually Junction and Reservation via the Nelson Bennett Tunnel segment will be considered Severable Improvements shall be determined in accordance with this Agreement.

In witness whereof, State and Railroad have caused this Agreement to be duly executed by their authorized representatives on the date first above written.

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

Executive Vice President and Chief Operating Officer

STATE OF WASHINGTON DEPARTMENT OF TRANSPORTATION

Approved as to Form

Dlubl - 2/18/04 Dawne Cushman, Assistant Attorney General State of Washington

RR-00278/BF21724, Exhibit 1, Conceptual Plan Supplement to Track Charts

GENERAL DESCRIPTION OF NORMAL OPERATION ON THE 2018 TRACK ARRANGEMENT

PORTLAND – VANCOUVER

- Normal operation is right hand running, however, the corridor passenger trains are scheduled for single track operation between Portland and Vancouver. High speed crossovers near MP 5.6 allow opposite main tracks to be used for passenger trains north and south of that location with no delay to the passenger trains.
- East end of Lake Yard is arranged with 40 mph running track extending to approximately MP 5.2 to allow faster entry and exit of main tracks.
- Controlled siding on Main 2 at East St. Johns between approximately MP 5.9 and MP 7.8.
- Double track 35 mph connection to UP and double track on UP allow simultaneous movement of UP trains.

VANCOUVER - FELIDA MP 130.2

- Normal operation is right-hand running.
- Controlled siding Main 1 between approximately MP 132.6 and MP 134.7

FELIDA MP 130.2 - KELSO

- Passenger trains in both directions use Main 3. Main 3 is necessary between Felida and MP 104.5 to maintain schedule.
- Kalama has controlled siding approximately MP 105.8 MP 110.8.
- Longview Jct. has northward and southward sidings to allow two trains to work simultaneously.
- Main 2 platform at Kelso for use only when Main 3 platform not available.
 CTC signals arranged for protection of Main 3.

KELSO – OSTRANDER

Normal operation is right-hand running.

OSTRANDER – MP 83.5

Passenger trains use Main 1 and Main 3, right-hand running. Opposite direction Cascades trains meet here. Ends of 3 MT arranged for 80 mph for any 2 of the three tracks for passenger trains with minimal delay.

MP 83.5 – VADER

Normal operation is right-hand running.

VADER – WINLOCK

Passenger trains use Main 1 and Main 3, right-hand running. Main 1 is 110 mph rather than Main 3 because of the directional running. Since passenger trains in

June 6, 2002 Page 1 of 4

RR-00278/BF21724, Exhibit 1, Conceptual Plan Supplement to Track Charts

both directions will not generally be using the same track, the high speed track is arranged for the downhill train, which also lost time between Plumb and Bucoda because of a meet with an opposing Cascades train.

WINLOCK - MP 67

Normal operation is right-hand running.

MP 67 - NEWAUKUM MP 60.6

Passenger trains use Main 2 and Main 3. Main 1 is arranged for uphill freight trains moving slower than other traffic.

NEWAUKUM – CHEHALIS MP 57

Normal operation is right-hand running.

CHEHALIS – WABASH MP 49

- Passenger trains use Main 1 and Main 3, right-hand running.
- Crossovers at Centralia at 80 mph turnouts at Chehalis and Wabish are arranged to allow passenger trains to use Main 2 between Chehalis and Centralia or between Centralia and Wabash as necessary.
- Controlled siding between approximately MP 52.3 and MP 54.3 for coal trains as needed.
- Track to steam plant improved for 35 mph operation approximately 2 miles to allow faster entrance and exit of main tracks.

WABASH - PLUMB

Northward passenger trains use Main 3. Main 3 is required to maintain schedule. Southward passenger trains use Main 1 or Main 2. 80 MPH crossovers at Plumb.

PLUMB - NISQUALLY

- Passenger trains in both directions use Main 3, required to main schedule.
- Main 2 platform at Centennial for use only when Main 3 platform not available. CTC signals arranged for protection of Main 3.

NISQUALLY - RESERVATION

Cascades trains use Main 1 between MP 0.6 and MP 0 at Lakeview. Sound Transit trains may use Main 1 when will not delay Cascades trains. Normal operation between Lakeview and Reservation is right-hand running. Nisqually siding using the existing alignment accommodates unusual/irregular movements as necessary. This allows meeting or being passed by Cascades trains without blocking other traffic.

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RR-00278/BF21724, Exhibit 1, Conceptual Plan Supplement to Track Charts

RESERVATION – MP 35.5

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Normal operation is NWD main 3 SWD main 2 trains arriving for or leaving from tracks in Tacoma Yard or work at Reservation Main 1.

MP 35.5 – ELLINGSON MP 24.2

Normal operation is right-hand running.

ELLINGSON – AUBURN

Normal operation is right-hand running. Arrangement at end 3MT allows operation of trains in either direction on MT at track speed. This arrangement allows complete flexibility in the use of the 3 main tracks for passing slower traffic or clearing Main 3 for Stampede Pass or Auburn Yard traffic as necessary. Through trains with Auburn Yard work and Stampede Subdivision trains normally use the controlled siding adjacent to Main 3.

AUBURN - THOMAS MP 18.4

Normal operation is right-hand running. Arrangement at end 3MT allows operation of trains in either direction on MT at track speed. This arrangement allows complete flexibility in the use of the 3 main tracks for passing slower traffic or clearing Main 3 for Stampede Pass or Auburn Yard traffic as necessary.

THOMAS - TUKWILA

Normal operation is right-hand running.

Kent – Glacier Park siding is used by trains with setout or pickup at Orillia, industry switching, and trains waiting to be accommodated at Interbay, Seattle, South Seattle, Auburn or Tacoma as necessary. Some through freight traffic may be passed here when traffic conditions do not permit advancing to south of Thomas or north of Tukwila.

TUKWILA – SEATTLE

Normal operation is right-hand running on Main 2 and Main 3. Main 1 is used by freight trains pulling into or out of South Seattle or Stacy/SIG or stopping on the main track during setout or pickup.

SEATTLE

Northward through Cascades trains use Tunnel 3. Southward through Cascades trains use Tunnel 2. Originating or terminating Cascades trains normally use Tunnel 1 and Tunnel 2.

SEATTLE - EVERETT JCT.

Normal operation is right-hand running.

June 6, 2002 Page 3 of 4

RR-00278/BF21724, Exhibit 1, Conceptual Plan Supplement to Track Charts

EVERETT JCT. – ENGLISH

Single track.

ENGLISH - MT VERNON

Normal operation is right-hand running. Sidings at English, Stanwood and Mt. Vernon for meeting or passing freight traffic as necessary.

MT VERNON - SOUTH BELLINGHAM

Single track. The Samish siding is extended to join the Bow siding, forming a lap siding allowing two freight trains to meet while being met/passed by another train.

SOUTH BELLINGHAM - FERNDALE

Single track.

FERNDALE - BLAINE

Normal operation is right-hand running. Siding at Ferndale for meeting or passing freight traffic as necessary. Siding at Swift for US Customs inspection and meeting or passing freight traffic as necessary.

BLAINE – COLEBROOK

Passenger trains normal operation is right-hand running/single track on the new line.

Freight trains single track on the existing line.

COLEBROOK – BROWNSVILLE

Single track. New passenger line to Scott Road Station connects near MP 140.5.

COAST STARLIGHT

The infrastructure plan is designed specifically to accommodate the Cascades service. The time of operation of the Coast Starlight cannot be fixed. It is also unknown whether the Coast Starlight will continue operation for an extended time. The passenger train speed will be set as high as the track geometry required for the specified Talgo and Freight speeds will allow. The Coast Starlight will be inferior to Cascades trains when there is a conflict.

TALGO TRAINS

The current assumption is that on track up to and including Class 5, Talgo train speeds on curves will be set using Eu=6. On Class 6 track Talgo train speeds on curves will be set using Eu=8. Initial information indicates that these unbalance amounts may increase when using the Talgo XXI trainsets and associated locomotive, subject to testing once a demonstrator is available.

June 6, 2002 Page 4 of 4

RR-00278/BF21724, Exhibit 1, Conceptual Plan List of Completed and Proposed Improvements

	Revision Date	Revision Date: December 17th, 2002	ر 2002 ال			
			Cotomito T	Minimum	Minimum	Talgo
Project Name	Status	BNSF AFE#		Round	Schedule	Speeds
		11	Tillal Cost	Trips	Reduction	(mph)

total, the proposed Improvements will be designed for the final number of round trips and schedule. The estimated costs, round trips, scheduled This Exhibit 1 lists proposed Improvements as well as Improvements already completed and the results of those completed Improvements. In undertake any improvement until an appropriate task order is fully exectuted. The actual scope of any proposed Improvement and the running time and speeds for proposed Improvements are listed for convenience, and do not represent a committment by either party to resulting cost, round trips, schedule reduction, Talgo speeds, and operating schedule will be determined at the time the Construction of the proposed Improvement is agreed to by Task Order. See Section 4.11"Statement of Operating Benefits."

proposed Improvement is agreed to by Lask Order. See Section 4.11 Statement of Operating Benefits	y I ask Order. See Section 4.1	1"Statement of O	perating Benefits"	
Seattle to Vancouver, BC				
Improvements Funded By BNSF For 1st Passenger Round Trip, Seattle To Vancouver, BC, in Scheduled 3:55	r 1st Passenger Round Trip,	Seattle To Vance	ouver, BC, in Scheduled 3:55	
A-15 BNSF Engineering	Completed under RR-0152		100,700.00	
A-15 BNSF Planning	Completed under RR-0152		839,210.00	
B-1 Canada, Adjust X'ing Signals (BN Proposal)	Completed under RR-0152		655,400.00	
B-1 White Rock, Surrey & Bridges	Completed under RR-0152		403,799.00	
B-2 Seattle To Everett, Adjust Curves	Completed under RR-0152		454,956.00	
B-3 Everett To Border, Adjust Curves	Completed under RR-0152		370,508.00	
B-4 Canada, Adjust Curves	Completed under RR-0152		143,700.00	
B-19 Rail Locks On Br 69 (Canada)	Completed under RR-0152		12,516.00	
B-5 Canada, Relay 0.73 Miles SH Curve	Completed under RR-0152	93-0104	80,500.00	
B-6 Canada, Relay 0.32 Miles New Curve	Completed under RR-0152	93-0045	107,900.00	
B-7 Canada, Install 11,722 Track Ties	Completed under RR-0152	93-0427	584,300.00	
B-8 Canada, Install 387 Switch Ties	Completed under RR-0152	93-5037	40,900.00	
B-25 Bow, BNSF Easement For Access Road	Completed under RR-0152		4,100.00	
B-24 Blaine, Salvage Value Seven (7) Rail Cars	Completed under RR-0152		31,586.00	
Swift US Customs Construct Inspection Track	Completed	A00-1110	1,500,000.00	
	Subtotal	:	5,330,075.00	
Improvements Funded By WSDOT For 1st P	or 1st Passenger Round Trip	o, Seattle To Van	assenger Round Trip, Seattle To Vancouver, BC, in Scheduled 3:55	
A-29 Preliminary Engineering	Completed under RR-0152	93-2588	323,829.00	

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RR-00278/BF21724, Exhibit 1, Conceptual Plan	List of Completed and Proposed Improvements
RR-00278/BF	liet of Compl

	Revision Date	Revision Date: December 17th, 2002	1, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
A-29 BNSF Planning and Engineering	Completed under RR-0152	93-2588	567,587.41			
A-29 BNSF Engineering (07/01/95 to 12/31/95)	Completed under RR-0152	95-2818	145,612.00			
B-10 Seattle To Everett, Adjust X'ing Signals (Fed Funds)	Completed under RR-0152	94-1729 thru 94-1735	267,464.00			
B-10 Seattle Everett, Galer Street Crossing Signals	Pending Sound Transit Improve't & Gr. Separation		1,000,000.00			
B-11 Everett To Border, Adjust X'ing Signals (State Funds)	Completed under RR-0152	94-1657 thru 1707, 1709, 1713 thru 1718, 1728, 1736	2,414,176.05			
B-11 Everett To Border, Adjust X'ing Signals (Fed Funds)	Completed under RR-0152	94-1715, 1719 thru 1727	313,282.00			
B-12 Burlington, Install Electric Locks	Completed under RR-0152	94-1755	544,313.00			
B-13 Bellingham To Us Border, Install CTC	Completed under RR-0152	94-2343	2,298,480.67			
B-14 Blaine Realign South Switch	Completed under RR-0152		0.00			
B-19 Replace Bridge Locks 11/12 (a.k.a. Bridges 37.2 and 38)						
Bridge Locks Pre. Engr.	Completed under RR-0223	7-3693-98	132,792.36			
Bridge Locks	Completed under RR-0223	7-3664-98	1,633,837.00			
Associated Group 2 Grade Crossings	Completed under RR-0223	7-3691-98	1,204,537.98			
Associated Relay	Completed under RR-0223	7-3694-98	391,264.00			

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	Revision Date	Revision Date: December 17th, 2002	1, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
B-20 Relay Bolted Rail With New CWR (B14, B19 & B20 = \$8,642,129)	Completed under RR-0152	93-2958 thru 2961, 2965, 2966, 3010	7,862,066.69			
B-14 Ferndale	Completed under RR-0152	93-2976, 7- 3592-96				
Extend Passing Track 4000' N		Incl. in AFE's	1,605,196.88			
BNSF Construct Mitigation Site		Incl. in AFE's	435,260.00			
Purchase Site For Mitigation		By WSDOT	22,500.00			
Close Thorton Road Crossing	To be completed thru BNSF/Amtrak Agreement	By WSDOT	500,000.00			
B-23 Elliot Yard On Cherry Point Sub	Completed under RR-0152	93-3021, 7- 3594-96				
Construct Storage Tracks, 10,500'		Incl. in AFE's	2,524,971.80			
BNSF Construct Mitigation Site		Incl. in AFE's	167,998.00			
Purchase Site For Mitigation		By WSDOT	262,200.00			
Fire Line Per Whatcom County Request		Incl. in AFE's	225,000.00			
B-24 Swift Siding (A.K.A. Blaine Siding Extension)	Completed under RR-0152	93-2980, 7- 3593-96				
Construct 8710' Siding (Originally Extend Siding 4000'N)	-	Incl. in AFE's	2,408,993.26			
Construct Mitigation Site		Incl. in AFE's	230,531.98			
Purchase Site For Mitigation		By WSDOT	110,000.00			
Purchase Property, Private Crossings (Incl. WSDOT Staff Time)		By WSDOT	241,557.00			
Olljum Corp. (Contract 1-						
Nofftz (Contract 1-15456) \$94,000					a	
Miller (Contract 1-15509) \$22,000					Î	

RR-00278/BF21724, Exhibit 1, Conceptual Plan List of Completed and Proposed Improvements

	Revision Date	Revision Date: December 17th, 2002	2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Grant/Edelstein (Lone Pine Construction) (No Contract) \$195,000 Offered	Property purchased by BNSF; Access to be completed thru BNSF/Amtrak Agreement					:
Johnson (No Contract) Had Alternate Access. No Offer						
B-25 Bow Siding Extension	Completed under RR-0152	93-2975, 7- 3591-96				
Extend Passing Track 2400'N		Incl. in AFE's	1,900,456.88			
Construct Mitigation Site		Incl. in AFE's	140,000.00			
Purchase Property For Public Access Road		By WSDOT	4,100.00			
Purchase Site For Mitigation		By WSDOT	25,000.00			
A-29 BNSF Engineering (January 1, 1996 - June 30, 1997)	Completed under RR-0152	95-2818	11,852.04			
B-21 Undercut Track	Completed under RR-0152	95-1540 thru 1543	2,683,745.06			
Repair Haul Roads, All Sites	Completed under RR-0152		00.00			
Engineering, (C&B) Mitigation Sites	Completed under RR-0152		122,743.00			
Mt Vernon, Fencing	Completed under RR-0152		15,000.00			
Edmonds, Planting	Completed under RR-0223		6,569.69			
	Subtotal		32,742,917.75			
Reestablish Passenger Service Between Seattle and Vancouver, BC.	veen Seattle and Vancouver	, BC.	38,072,992.75	1st	Initial 3:55	79 Max
	Paid by BNSF		5,330,075.00			
	Paid By WSDOT to BNSF via agreements	via agreements	31,577,560.75			
59	Paid By WSDOT)T	1,165,357.00			
	Unfunded		1,000,000.00			

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	Revision Date:	Revision Date: December 17th, 2002	հ, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Improvements Funded By BNSF For 2nd Passenger Round Trip, Seattle To Vancouver, BC, with No Schedule Reduction	2nd Passenger Round Trip,	, Seattle To Var	ncouver, BC, with No	o Schedule	Reduction	
Relay Bolted Rail With New CWR On Bellingham Subdivision At Various	Completed under RR-0152	7-370799	4,000,000.00			
	Subtotal		4,000,000.00			
Improvements Funded By WSDOT For 2nd Passenger Round Trip, Seattle To	or 2nd Passenger Round Tr	ip, Seattle To V	Vancouver, BC, with No Schedule Reduction	No Schede	le Reduction	
B-16 Everett, Construct 3 Yard Tracks			1,932,500.00			
B-:7 Everett, Extend Rogers Passing Track			1,656,800.00			
B-26 English, Extend Passing Track 400C'N	See "Amtrak North" Projects		0.00			
B-27 Stanwood, Extend Passing Track 4000'N	See "Amtrak North" Projects		0.00			
B-18 Ballard, Construct Double Track and Install High Speed X-Over			2,037,500.00			50 Min thru Crossover
B-16 Everett, Yard Tracks, Mitigation Site, Purchase Property			126,550.00		В	
B-17 Everett, Rogers Pass, Mitigation Site, Purchase Property			63,275.00			
B-26 English, Mitigation Site, Purchase Property	See "Amtrak North" Projects		00:0			
B-27 Stanwood, Mitigation Site, Purchase Property	See "Amtrak North" Projects		0.00			
B-16 Everett, Yard Tracks, Construct Mitigation Site			813,533.00			
B-17 Everett, Rogers Pass, Construct Mitigation Site			406,767.00			
B-26 English, Construct Mitigation Site	See "Amtrak North" Projects		0.00			
B-27 Stanwood, Construct Mitigation Site	See "Amtrak North" Projects		0.00			
Relay Bolted Rail With New CWR On Bellingham Subdivision At Various Locations	Completed under RR-0152	7-370799	4,000,000.00			

RR-00278/BF21724, Exhibit 1, Conceptual Plan

	Revision Date	Revision Date: December 17th, 2002	1, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Partial Funding Of 4 "Amtrak North" Projects (English, Burlington, Bellingham Mainline, & Custer), Under A Separate Contract Between BNSF and Amtrak, In Lieu Of B-26 & B-27	Completed under RR-0152	7-3543-01	4,900,000.00			
Remaining WSDOT Obligation, Based On Preliminary Estimates, For Unfunded Portion Of The 4 "Amtrak North Projects (English, Burlington, Bellingham Mainline, & Custer), Under A Separate Contract Between BNSF and Amtrak, In Lieu Of B-26 & B-27	This portion of the 4 projects are likely not required due to changes in project scope and overall reducions in cost.		2,709,613.00			
	Subtotal		18,646,538.00		:	
Second Round Trip Between Seattle and Vancouver. BC.	and Vancouver. BC.		22,646,538.00	2nd	 -	,
	Paid by BNSF		4,000,000.00			
	Paid By WSDOT to BNSF via agreements	ia agreements	8,900,000.00			
	Paid By WSDOT)T	00.00			
	Unfunded		9,746,538.00			

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Improvements	List of Completed and Proposed Improvements	•
onceptual Plan	RR-00278/BF21724, Exhibit 1, Conceptual Plan	

	Revision Date	Revision Date: December 17th, 2002	, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Implement Talgo Speeds @ 5" Unbalanced or	n Existing Curves	Between Seattle	& Blaine			
At Curves Outside WUTC Restriction Areas	Complete				0:11:45	79 Max
Remove Edmonds WUTC Speed Restriction Permanently		ac.				79 Max
Remove Mt. Vernon WUTC Speed					0:00:15	79 Max
Remove Ferndale WUTC Speed Bestrictions (MP 103.4-106.2)					0:00:30	79 Max
Remove Blaine WUTC Speed					0:00:30	79 Max
Implement Talgo Speeds @ 5" Unbalanced	anced		0.00		0:13:00	79 Max
	Paid by BNSF	-11	0.00			
	Paid By WSDOT to BNSF via agreements	ia agreements	00:00			
	Paid By WSDOT)T	00.0			
	Onfunded		0.00			
	- 1					
Various Improvements for General Reliability	eliability and Safety					
Bellingham Vertical Movement Detector (\$20,000 BNSF Funds and	Completed under RR-0223	A-99-1060	114,722.00			
USGS Slide Monitoring Research	Completed under RR-0223		50,000.00			
Various Improvements for General Reliability	and S		164,722.00			•
	Paid by BNSF	11	20,000.00		:	
	Paid By WSDOT to BNSF via agreements	via agreements	144,722.00			
	Paid By WSDOT	TC	0.00			
	Onfunded		00.00			
Everett-Marysville Speed Improvements Including Engineering, Construction and Environmental Compliance	ents Including Engineering, Constru	ction and Environme	ntal Compliance			
PA Jct. to Delta Jct. Realignment of						
Curves						
Realign Curves & 30 MPH Turnouts at PA Jct.			4,000,000.00		0:03:42	30 & 42
Everett Jct. To PA Jct. Curve						
Realignment						

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	Revision Date	Revision Date: December 17th, 2002	، 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Curve 1783 realign and Implement Tilt Speeds Between PA Jct and Everett Jct.			1,000,000.00		0:01:06	
Delta Jct. to Marysville Curve Realignment and Bridge Improvement			,			
Increase to 35 mph through Curves and Bridge 10 (37)			3,000,000.00		0:01:30	Between 35 & 50
40 mph Between Bridge 10 (37) and Marysville MP 37.2 - MP 38.8 as Designed			00.00		0:02:24	40
Remove Marysville WUTC Speed Restrictions						79 Max
Improve Crossing Signals for 79 mph through Marysville MP 38.8 - MP 41			500,000.00		0:01:18	79
Everett-Marysville Speed Improvements	ents		8,500,000.00	1	0:10:00	
	Paid by BNSF	11	00.00			
	Paid By WSDOT to BNSF via agreements	via agreements	00.0			
	Paid By WSDOT	T(0.00			
	Unfunded		8,500,000.00			

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4, Exhibit 1, Conceptual Plan	mpleted and Proposed Improvements
RR-00278/BF21724, E	List of Completed a

	Revision Date	Revision Date: December 17th, 2002	յ, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mnh)
Landon Talas Casas @ 7" Linhalancas	Panced on Evieting Curves Retween Delta Ict	Sotwoon Dolta	ot & Risino			
Implement large opecus & 1 Onea	"					
Reach 90 mph @ 7" Cant Deficiency Includes Engineering, Construction and Environmental Compliance		1	22,171,000.00	ı	0:10:00	90 Max
Track upgrades, xing upgrades and ATS						
Implement Talgo Speeds			22,171,000.00		0:10:00	
	Paid by BNSF		00.00		:	
	Paid By WSDOT to BNSF via agreements	ria agreements	00:00			
	Paid By WSDOT	T(00.00	-		
	Unfunded		22,171,000.00			
Improvements For 3rd and 4th Passenger R	ound Trip, Seattle	To Vancouver, BC,	C, at 2:57 Final Running Time	ning Time		
Bellingham Siding Extension Including Engineering, Construction and Environmental			30,000,000.00	3rd	0:01:00	79 Max
Compliance				†		
Samish Siding Extension Including Engineering, Construction and Environmental Compliance			6,000,000.00	3rd	0:00:0	79 Max
English to Mt. Vernon Second Mainline				444	00.400	7
Including Engineering, Construction and Environmental Compliance			120,000,000,021	4th	0:04:00	2
New Mainline and Upgrade of Existing Mainline (Class 6)						
Ferndale to Blaine Second Mainline						
Including Engineering, Construction and			120,000,000.00	4th	0:01:22	110
New Mainline and Upgrade of						
Existing Mainline (Class 6)						
Additional Improvements in B.C.	Not in This Agreement			3rd & 4th	0:14:00	
Reduction of Recovery Time	Not in This Agreement			3rd & 4th	0:04:38	
8% of Running Time + Dwell						
Third and Forth Round Trips			276,000,000.00	3rd & 4th	0:25:00	
	Paid by BNSF	Ir	0.00			
	Paid By WSDOT to BNSF via agreements	ia agreements	0.00			
	Paid By WSDOT	T(0.00			

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	Revision Date	Revision Date: December 17th, 2002	, 2002 1, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
	Unfunded		276,000,000.00			
Seattle to Vancouver, BC	Total		368,555,252.75		4 Round 2:57 Published Trips Schedule	110 Max
	Paid by BNSF	ш	9,350,075.00			
	Paid By WSDOT to BNSF via agreements	via agreements	40,622,282.75			
	Paid By WSDOT	TC TC	1,165,357.00			
	Unfunded		317,417,538.00			
		:				

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RR-00278/BF21724, Exhibit 1, Conceptual Plan	List of Completed and Proposed Improvements

	Revision Date	Revision Date: December 17th, 2002	1, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Seattle to Portland, OR						
Two Round Trips plus the daily Coast Starlight	starlight already existed prior to Improvements funded by WSDOT	to Improvements	funded by WSDOT.			
Improvements to add a 3rd Round Trip Between Seattle and Portland, OR, and Reduce Run Time from 3:50 to 3:30	rip Between Seattle and Por	rtland, OR, and	Reduce Run Time f		3:30	
Upgrade 59 Crossings Between Sumner and Vancouver, WA (From N=>S:)						
Stewart, Spencer, Williams, Zehnder, Main (Sumner), Maple, 15th, 5th SE, 2nd, Meridian, 5th		93-1099, 93- 1774, 93-1960 thru 93-1981.				
NW, 7th, 12th, 66th, Grain Terminal, McCarver, Union,		93-1985 thru 93-1991, 93-				
Marvin, Atchison, N. Rich, Rich SE. Mc Duff. Shookumchuck. 6th.		1993 thru 93- 2001, 93-2003				
Connors, Hannaford, Maple, Main, Locust, Summa, Floral, West,	Completed under RR-0150	thru 93-2005, 93-2012 thru	2,249,306.42			79 Max
Center, Prindle, Main, Ridgers, Somerville. Washington, Jordon.		93-2017, 93- 2019 thru 93-				
Avery, Hawkins, Fir, Walnut, Campbell. Ferrier. 7th. Cowlitz.		2023, 93-2025 thru 93-2031,		•		
Allen, Mill, Yew, Toteff, Scott, Davidson, Whalen, Division, Mill,		95-2149, 93- 2168, 95-2169,				
Wildlife, 122nd		95-2293			:	
Removal of Various WUTC/Municipal Speed Restrictions	Complete (See Speed Initiatives for other restrictions)					
Implement Talgo Speeds @ 5"						
Unbalanced on Existing Curves Between Seattle & Portland	Complete				0:20:00	
Crossing Improvements Between Seattle an	attle and Portland, OR		2,249,306.42	3rd	0:20:00	79 Max
	Paid by BNSF		00.00			
	Paid By WSDOT to BNSF via agreements	ria agreements	2,249,306.42			
	Paid By WSDOT)T	00.0			
	Unfunded		0.00			
	in Second Bootstone and Bodine Bin Time from 3:30 to 3:30	Doding Bus	Time from 3:30 to	3.20	į	
Improvements to bemove wor com		מוות ווכממכה וומו		24:0		

RR-00278/BF21724, Exhibit 1, Conceptual Plan List of Completed and Proposed Improvements

	Revision Date:	Revision Date: December 17th, 2002	ر 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round	Minimum Schedule	Talgo Speeds
				Lrips	Heduction	(mpn)
Group 1 Crossings with on hand material	ial.					
Solo Point Road MP 18.57 Ketron	Completed under RR-0223	7-3681-98	24,133.73			
South 19th street MP 10.1 Titlow	Completed under RR-0223 7-3682-98	7-3682-98	2,085.69			
6th Avenue MP 9.8 Titlow	Completed under RR-0223	7-3683-98	3,730.63			
Group 3 Crossings:						
S 228th MP 15.18X, James MP						
15.95X, Smith MP 16.19X, Meeker						
MP 16.29X, Gowe MP 16.34X,						
Titus MP 16.42X, W. Willis MP						
16.56X, 259th MP 17.09X, S.	Completed under RR-0223 7-3687-98	7-3687-98	1,120,314.96			
277th MP 18.22X, 37th MP						
19.16X, and 29th NW Christopher						
MP 19.66X streets near Kent and						
Auburn.						
Final Engineering		7-3676-98	50,961.04			
Group 4: W. Main St. (21.41X), 3rd	: 					
NW (21.24X), 212th (14.13X), Orillia	Pending Sound I ransit					
Rd. (12.15X), Spokane St.(1.85X &	Improvements. Some		300,000,00			
1.86X), Horton (1.66X), Lander	crossings may be eliminated by					
(1.28X), Holgate (0.84X), Royal	grade separations outside this agreement.					
Broughm (0.42X)						
Revised Group 5: "D" and Dock	Completed Linder BB-0223 7-3692-98	7-3692-98	37.835.00			
Streets	Completed dides in 19250	2000	, ,			

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	Revision Date	Revision Date: December 17th, 2002	, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or	Minimum	Minimum Schedule	Talgo
			Final Cost	Trips	Reduction	(mph)
Remove Restrictions in:						
Puyallup	Pending Sound Transit Improvements	ovements			0:01:22	
Sumner	Pending Sound Transit Improvements	ovements			0:00:0	
Kent	Pending Sound Transit Improvements	ovements			0:00:00	
Auburn and Seattle	Pending Group 4				0:07:08	
Improvements to Remove WUTC/Municipal	unicipal Speed Restrictions		1,539,061.05	1	0:60:0	79 Max
	Paid by BNSF	-	0.00			
	Paid By WSDOT to BNSF via agreements	ia agreements	1,239,061.05			
	Paid By WSDOT	T(0.00			
	Unfunded		300,000.00			
Improvements to add a 4th Round Trip Between Seattle and Portland, OR	rip Between Seattle and Port	tland, OR				
Project Engineer Positions	Completed under RR-0223	7-3654-98	464,200.00			
	Completed under RR-0223	7-3745-99	270,000.00			
Felida #24 Universal						50 Min
Engineering services	Completed under RR-0223	7-3668-98	157,140.61			thru
Track	Completed under RR-0223	7-3712-99	1,246,610.35			Crossover
Signal	Completed under RR-0223	7-3705-99	793,182.88		ļ	
Woodland #24 Universal						50 Min
Engineering services		7-3669-98	86,283.00			thru
Track		7-3713-99	1,655,324.00			Crossover
Signal	Completed under RR-0223	7-3706-99	1,027,485.00			
Ruston Way #24 Universal						50 Min
Engineering services	Completed under RR-0223	7-3723-99	105,879.00			thru
Preliminary Land assessment	Completed under RR-0223		25,000.00			Crossover
Track			1,341,600.00			
Signal			943,298.00			
Titlow Park #24 Universal						50 Min
Engineering services	Completed under RR-0223	7-3722-99	131,421.00			thru
Track			1,341,600.00			Crossover
Signal			1,228,621.00			
Portland-area CTC	Completed by Oregon					
Sound Transit's "Phase I" Projects	Not in This Agreement, \$156,		978,000 Preliminary Estimate per BNSF/ST Agreement Exhibit "B"	JSF/ST Agre	ement Exhibit "E	***
Coach Yard Wye CTC & Crossovers	Funded by Sound Transit					
Reservation Connection to Tacoma Bail's Mountain Division	Funded by Sound Transit					

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	Revision Date	Revision Date: December 17th, 2002	, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Auburn Yard CTC Siding, MP 21.9X-23.9X	Funded by Sound Transit					
CTC & X-overs, (Black River, MP 11.0X, through Reservation to MP 38.5X)	Funded by Sound Transit					
Main & Siding Relocations: Orillia (MP 12.0X-14.0X) & Glacier Park (MP 11.0X-12.0X)	Funded by Sound Transit					
Sound Transit-"Phase II" Projects, partial (Not all Phase II Projects required for this Round Trip)	Not in This Agreement, \$106, 250,000 Preliminary Estimate per BNSF/ST Agreement Exhibit "B"	, 250,000 Prelim	inary Estimate per Bl	NSF/ST Agre	sement Exhibit "B	=-
Tacoma-3 New Mains, MP 38.2X-3.0	Funded by Sound Transit					
Seattle-3 New Mains, MP 0.15x-1.9x	Funded by Sound Transit					
Construct SIG Locomotive Yard	Funded by Sound Transit					
Crossover and Other Improvements			10,817,644.84	8	0:00:0	•
	Paid by BNSF		00.00			
	Paid By WSDOT to BNSF via agreements	via agreements	5,962,525.84			
	Paid By WSDOT)T	0.00			
	Unfunded		4,855,119.00			

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RR-00278/BF21724, Exhibit 1, Conceptual Plan List of Completed and Proposed Improvements

	Revision Date	Revision Date: December 17th, 2002	1, 2002			*
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Various Improvements for General Reliability and Safety	eliability and Safety					
Design Engineering for Federal Grant Application	Completed under RR-0223	7-3721-99	9,050.39			
Castle Rock Slope Stability	Completed under RR-0223	7-3767-00	1,211,475.00			
Various Improvements for General Reliability and Safety	eliability and Safety		1,220,525.39		•	,
	Paid by BNSF		20,000.00			
	Paid By WSDOT to BNSF via agreements	/ia agreements	1,200,525.39			
	Paid By WSDOT)T	0.00			
	Onfunded		00.00			
Vancouver and Kelso-Martin's Bluff Improvements to Add the 5th Round Trips, Seattle to Portland	Improvements to Add the 51	th Round Trips,	Seattle to Portland			
Vancouver Yard By-Pass Includes Engineering, Construction and Environmental Compliance					0:00:16	79 Initial, 90 Max
39th Street Closure Traffic Study (50/50 Funding By BNSF & WSDOT)	Completed under RR-0223	7-3708-99	15,427.00			
Jefferson Street Closure Traffic Study (50/50 Funding By BNSF & WSDOT)	Completed under RR-0223	7-3775-00	2,756.00			
Preliminary Engineering-Partial	Completed under RR-0223		150,000.00			
Remaining work incl. 39th St. Bridge			60,650,000.00			
Kelso-Martin's Bluff Third Mainline includes Engineering, Construction and Environmental Compliance					0:01:08	79 Initial, 90-110 Max
WSDOT EIS Flagging	Completed under RR-0223	7-3732-99	13,784.00			
Remaining Work			200,000,000.00			
Ketron (MP 18.4) #24 Universal			0 600 000 00			50 Min
Includes Engineering, Construction and Environmental Compliance			2,300,000.00			Crossover
Centennial (MP 31.2) #24 Universal Includes Engineering, Construction and Environmental Compliance	á		2,500,000.00			50 Min thru Crossover
Tenino (MP 42.9) #24 Universal Includes Engineering, Construction and			2,500,000.00			50 Min thru
Environmental Compliance			268 181 067 00	7 + P	0.01.24	Crossover
Vancouver and Neiso-Martin's Diun			200,100,100		17:10:0	

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Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Tripe	Minimum Schedule	Talgo Speeds
				20111	IGNOCION	(1011)
	Paid by BNSF		9,091.50			
Paid By	sy WSDOT to BNSF via agreements	a agreements	22,875.50			
	Paid By WSDOT	L	00.00			
	Unfunded		268,150,000.00			

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List of Completed and Proposed Improvements

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	Revision Date	Revision Date: December 17th, 2002	1, 2002	j		
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Lakeview and Auburn Valley Improvements	ements to Add the 6th, 7th and 8th Round Trips, Seattle to Portland	Ind 8th Round	rips, Seattle to Por	tland		
Pt. Defiance (Lakeview) Bypass Includes Engineering, Construction and Environmental Compliance			102,600,000.00		0:10:49	79 Initial, 110 Max
Reservation to 52nd St. Third Mainline Includes Engineering, Construction and Environmental Compliance			15,000,000.00			79 Max
3 miles Class 4 (79 mph) Sound Transit-Remainder of "Phase						
II" Projects	Not in I his Agreement					
Argo-Black River Mainline Relocation MP2.5X to 11.0X (Last Part of Phase II)	\$68,272,000 Per BNSF/ST Agreement Exhibit "B," Unfunded by Sound Transit					
Sound Transit-"Phase III" Projects	Not in This Agreement, \$70,000,000 Conceptual Estimate Per BNSF/ST Agreement Exhibit "B"	000,000 Concept	ual Estimate Per BN	SF/ST Agre	ement Exhibit "B'	
Auburn 3rd Main (a.k.a. Center Siding) MP18.5X -24.0X (Part of Phase	Unfunded by Sound Transit					
(iii						
Completion of Argo-Black River (MP 3.0X to 10.3X) Per "Final Engineering Agreement"	Unfunded by Sound Transit					
Speed Improvements Seattle to Reservation, Schedule reduction results from All Phases of S.T. Improvements					0:10:52	79 Max
Kent to Glacier Park 3rd Mainline Includes Engineering, Construction and Environmental Compliance	May be part of Sound Transit Phase I?	Phase 1?	10,000,000.00			79 Max
Relocate Chehalis Jct. To MP 57.5 w/ #24 Universal includes Engineering, Construction and Environmental Compliance			2,500,000.00			50 Min thru Crossover
Newaukum (MP 60.5) #24 Universal Includes Engineering, Construction and Environmental Compliance			2,500,000.00			50 Min thru Crossover
Winlock (MP 71.5) #24 Universal Includes Engineering, Construction and Environmental Compliance			2,500,000.00			50 Min thru Crossover
Lakeview and Auburn Valley Improvements	ments		135,100,000.00	6th, 7th & 8th	0:21:41	

Conceptual Plan	
Exhibit 1,	
3-00278/BF21724,	

Project Name Status BNSF AFE# Current Estimate or Final Cost Minimum Minimum Schedule Round Minimum Round Paid By WSDOT to BNSF via agreements 0.00 Trips Reduction Paid By WSDOT to BNSF via agreements 0.00 Door Door Unfunded 135,100,000.00 Door Door		Hevision Date	Revision Date: December 17th, 2002	1, 2002			
Paid by BNSF 0.00 WSDOT to BNSF via agreements 0.00 Paid By WSDOT 0.00 Unfunded 135,100,000.00	Project Name	Status	BNSF AFE#	Current Estimate or		Minimum Schedule	Talgo Speeds
Paid by BNSF WSDOT to BNSF via agreements Paid By WSDOT Unfunded 135,100,00				I III OOSI	Trips	Reduction	(mph)
WSDOT to BNSF via agreements Paid By WSDOT Unfunded 135,100,00		Paid by BNSI	F	0.00			
135,100,00		Paid By WSDOT to BNSF v	via agreements	0.00			
		Paid By WSDC	TC.	0.00			
		Unfunded		135,100,000.00			

Page 19 of 23

RR-00278/BF21724, Exhibit 1, Conceptual Plan	l ist of Completed and Proposed Improvements

	Revision Date	Revision Date: December 17th, 2002	1, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Various Speed Improvements Between Tacoma and Vancouver, WA	en Tacoma and Vancouver,	WA				
Upgrade Columbia River Br. (9.2 - 9.85)			3,900,000.00		0:00:31	50
Ridgefield: Close Mill Street-Construct Bypass Rd., Arrange Local UP/BNSF Agreement, Relocate/Remove/Extend Trackage, increase Curve elevation (122.9 - 122.3)			400,000.00		90:00:0	62
Winlock: Convert Campbell St. to Ped. Only, Completed under separate Lower Walnut St. & address Drainage, Increase WSDOT/BNSF Agreement Curve elevation (72.2 - 70.4)	Completed under separate WSDOT/BNSF Agreement		950,000.00			
Removal of Winlock WUTC Speed Restrictions	Pending Issuance of General Order		0.00		0:00:24	79/67/61
Bucoda: WUTC orde: for crossing signals ? (47.8 - 45.4)	Pending Issuance of General Order		0.00		0:00:08	79
Ketron: Crossing Signal Upgrade (18.7 - 18.5)	Completed under RR-0223		0.00		0:00:05	29
Stellacoom: Change Ped. Xing to Ped. O.H. (15.9 - 15.5)	Pending	By WSDOT	500,000.00		0:00:02	29
Steilacoom: City Speed Restrictions (15.5 - 14.3)			0.00		0:00:15	62
West Tacoma: Chambers Creek Bridge Lock Upgrades (14.3 - 14.2)			3,379,000.00		0:01:00	20
Titlow (Tacoma): Lease no. 51381 needs fence. Other adjacent parcels need fence repair or other improvements (10.3 - 9.5)			0.00		0:00:39	29
Titlow: Review Curve Elevations (9.5 - 7.1)			35,600.00		0:00:08	75
Reach 90 mph @ 7" Cant Deficiency, Tacoma to Vancouver (130 Miles) Includes Engineering, Construction and Environmental Compliance			22,399,000.00		0:14:28	90 Max
Includes Track upgrades, xing upgrades and ATS						
Various Speed Improvements			31,563,600.00	•	0:17:50	

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	Revision Date	Revision Date: December 17th, 2002	1, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
	Paid by BNSF		00:00			
	Paid By WSDOT to BNSF via agreements	ia agreements	00.00			
	Paid By WSDOT	7	00.00			
	Unfunded		31,563,600.00			
South Lewis County Improvements to Add th	to Add the 9th and 10th Round Trips, Seattle to Portland	nd Trips, Seatt	e to Portland			
Napavine Third Mainline Includes			1			
Engineering, Construction and Environmental			35,000,000.00			90 Max
1						
7 miles Class 5 (90mph)						
Vader to Winlock Third Mainline					0	
Includes Engineering, Construction and			30,000,000.00		0:00:31	110 Max
Environmental Compliance					į	
6 miles Class 6 (110mph)						
Relocate MP 85 Crossovers to MP						50 Min
82.8 w/ #24 Universal includes			2.500.000.00			thru
Engineering, Construction and Environmental Compliance		ļ				Crossover
Castle Rock South (MP 88.7) #24						50 Min
Universal Includes Engineering, Construction			2,500,000.00			thru
and Environmental Computation						
South Lewis County Improvements	S		70,000,000.00	9th & 10th	0:00:31	
	Paid by BNSF		00:00			
	Paid By WSDOT to BNSF via agreements	ia agreements	00.00			
	Paid By WSDOT	T	00.00			
	Unfunded		70,000,000.00			

Page 21 of 23

RR-00278/BF21724, Exhibit 1, Conceptual Plan

N. Chehalis to Wabash Third Mainline Includes Engineering, Construction and Environmental Compilance 10 miles Class 5 (90mph) N. Lewis County and Castle Rock Improvements to Add 11th and 12th Round Trips, Seattle to Portland N. Chehalis to Wabash Third Mainline Includes Engineering, Construction and Environmental Compilance 9 miles Class 5 (90mph) and Coal Train Capacity Castle Rock Third Mainline Includes Engineering, Construction and Environmental Compilance 10 miles Class 5 (90mph) N. Lewis County and Castle Rock Improvements Paid by BNSF Paid by WSDOT Paid By WSDOT Paid By WSDOT OOO Paid By WSDOT P		BNSF AFE#	Current Estimate or	Minimum	Minimum	Talgo
N. Lewis County and Castle Rock Improvements to Ad N. Chehalis to Wabash Third Mainline Includes Engineering, Construction and Environmental Compliance 9 miles Class 5 (90mph) and Coal Train Capacity Castle Rock Third Mainline Includes Engineering, Construction and Environmental Compliance 10 miles Class 5 (90mph) N. Lewis County and Castle Rock Improvements Pai			Final Cost	Round Trips	Schedule Reduction	Speeds (mph)
N. Chehalis to Wabash Third Mainline Includes Engineering, Construction and Environmental Compliance 9 miles Class 5 (90mph) and Coal Train Capacity Castle Rock Third Mainline Includes Engineering, Construction and Environmental Compliance 10 miles Class 5 (90mph) N. Lewis County and Castle Rock Improvements Paid By WSDOT						
N. Chehalis to Wabash Third Mainline includes Engineering, Construction and Environmental Compliance 9 miles Class 5 (90mph) and Coal Train Capacity Castle Rock Third Mainline Includes Engineering, Construction and Environmental Compliance 10 miles Class 5 (90mph) N. Lewis County and Castle Rock Improvements Paid By WSDOT	Add 11th and 12th R	ound Tri	ips, Seattle to Port	land	·	
9 miles Class 5 (90mph) and Coal Train Capacity Castle Rock Third Mainline Includes Engineering, Construction and Environmental Compliance 10 miles Class 5 (90mph) N. Lewis County and Castle Rock Improvements Pair			45,000,000.00			90 Max
Castle Rock Third Mainline Includes Engineering, Construction and Environmental Compliance 10 miles Class 5 (90mph) N. Lewis County and Castle Rock Improvements Pa						
10 miles Class 5 (90mph) N. Lewis County and Castle Rock Improvements Parity Paid By WSDOT			60,000,000.00			90 Max
N. Lewis County and Castle Rock Improvements Pa Paid By WSDOT						
			105,000,000.00	11th & 12th		
	Paid by BNSF		00:00			
Paic	WSDOT to BNSF via agreements	ments	00.00			
	Paid By WSDOT		00:00			
	Unfunded		105,000,000.00			
Ridgefield and Centennial Improvements to Add 13th Round Trip and Reduce Running to 2:30	th Round Trip and Re	educe Ru	unning to 2:30			
Felida to Woodland (Ridgefield) Third					0.00	
Mainline Includes Engineering, Construction and Environmental Compliance			30,000,000.00		0.02.10	10 Max
18 miles Class 6 (110mph)						
Increase Speed over the 8 Miles from						
Woodland to Kalama already constructed to Class 6 under Kelso-					0:00:28	110 Max
Martin's Bluff						
Nisqually to Bucoda Third Mainline Includes Engineering, Construction and			110,000,000.00		0:01:59	110 Max
22 miles Class 6 (110mph)						
Columbia River Bridge 3rd Track (WSDOT and Oregon DOT Funding)			500,000,000.00			
mprovements			700,000,000.00	13th	0:05:07	
	Paid by BNSF		00.00			
Paid By WSDOT	WSDOT to BNSF via agreements	ments	00.00		:	

8/BF21724, Exhibit 1,
BF2172
RR-0027

	Revision Date	Revision Date: December 17th, 2002	, 2002			
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
	Paid By WSDOT	T	0.00			
	Unfunded		700,000,000.00			
Improvements in Oregon	Outside This Agreement				0:04:13	79 Max
These Improvements, such as "MP 6-8 3rd Main" and "North Portland Jct. Rebuild," may also be required to reach 13 round trips.						
Decrease in Recovery Time	Outside This Agreement		0.00		0:03:42	
8% of Running Time + Dwell						
Seattle to Portland, OR	Total		1,325,672,104.70	13 Round Trips	2:30 Published Schedule	110 Max
	Paid by BNSF		29,091.50			
	Paid By WSDOT to BNSF via agreements	ia agreements	10,674,294.20			
	Paid By WSDOT	T	0.00			
	Unfunded		1,314,968,719.00			

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List of Completed and Proposed Improvements
Revision Date: December 17th, 2002

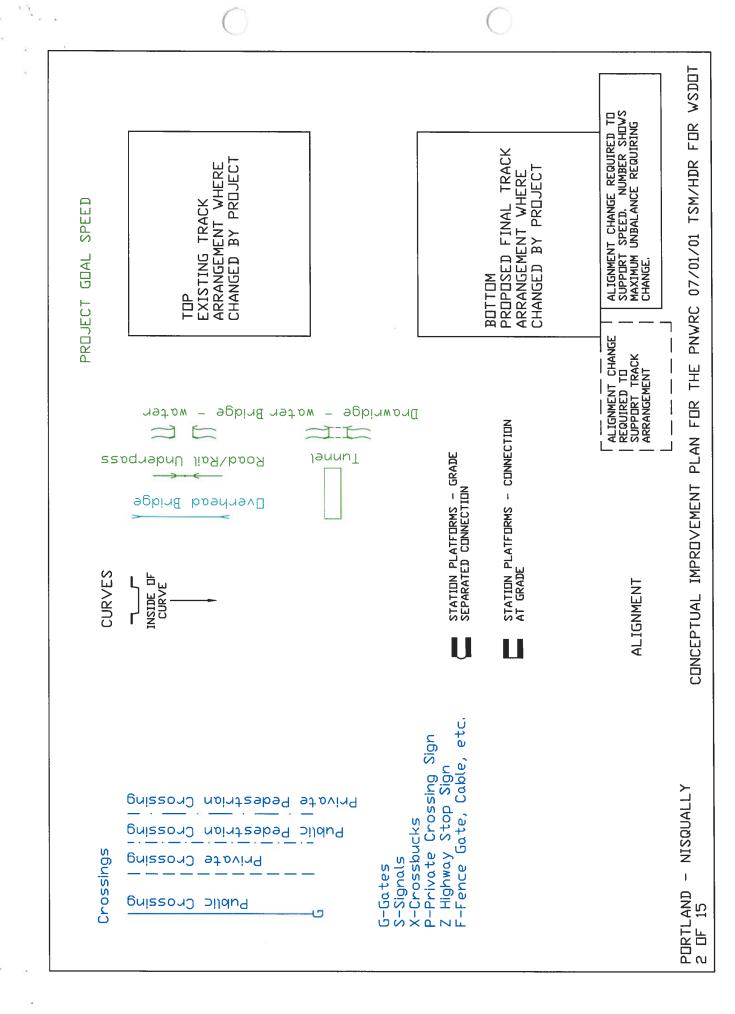
Project Name	Status	BNSF AFE#	Current Estimate or Final Cost	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
Grand Total Portland to Vancouver, BC	Total		1,694,227,357.45		5:27 Published Schedule	110 Max
	Paid by BNSF		9,379,166.50			
	Paid By WSDOT to BNSF via agreements	a agreements	51,296,576.95			
	Paid By WSDOT	 -	1,165,357.00			
	Unfunded		1,632,386,257.00			

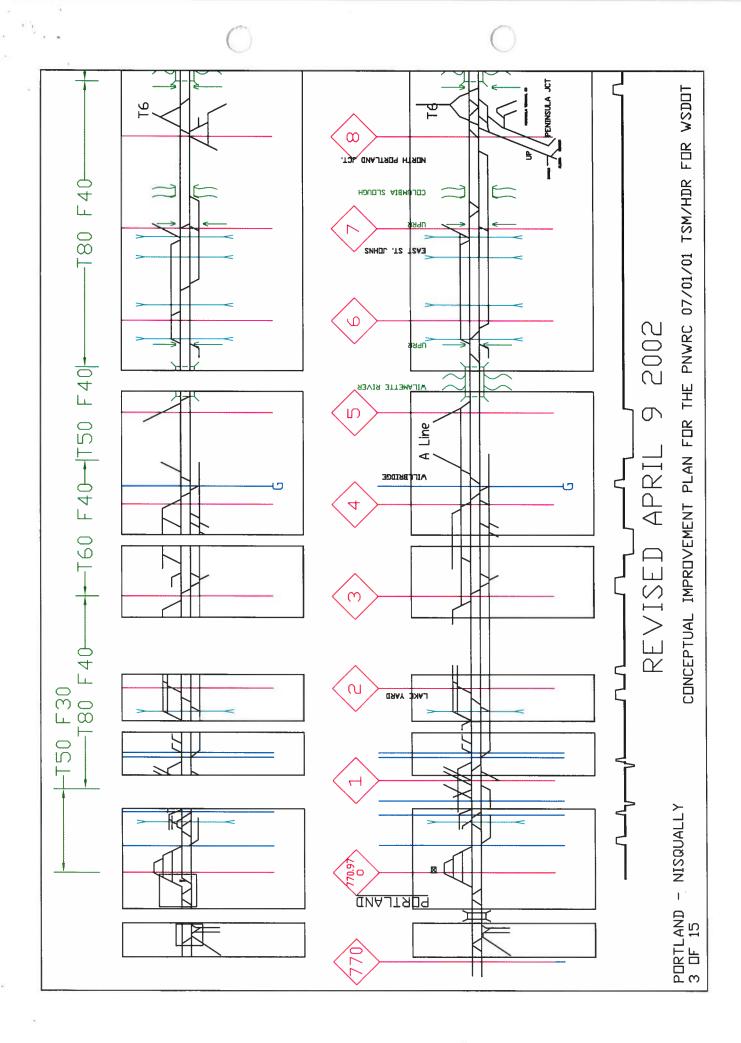
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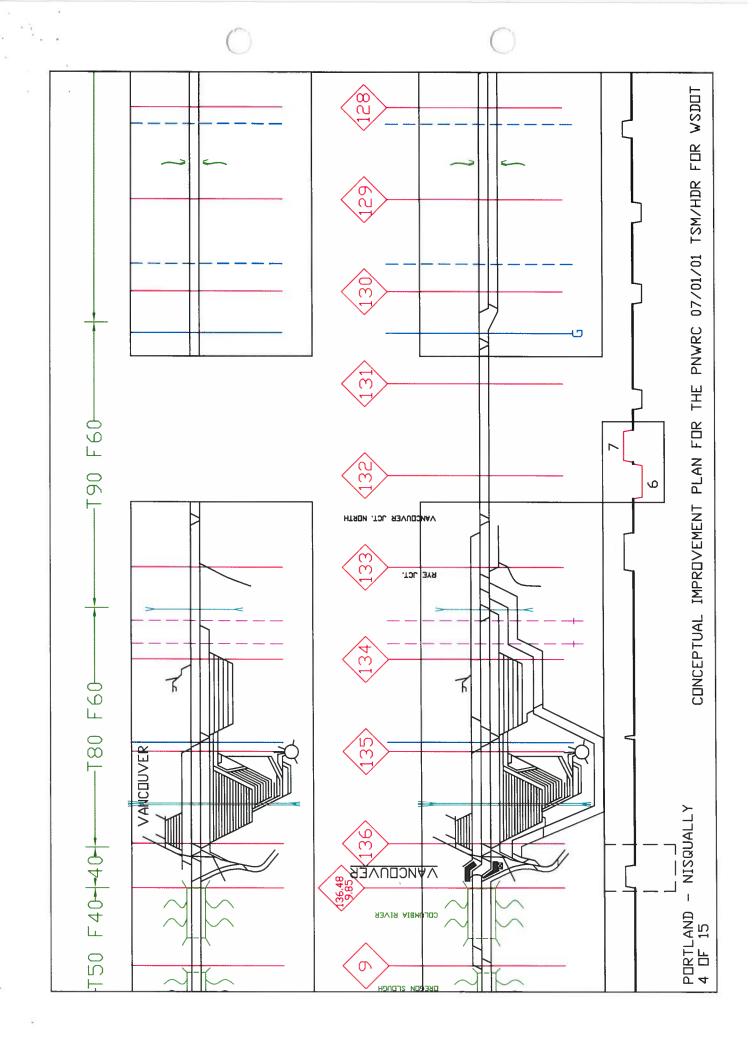
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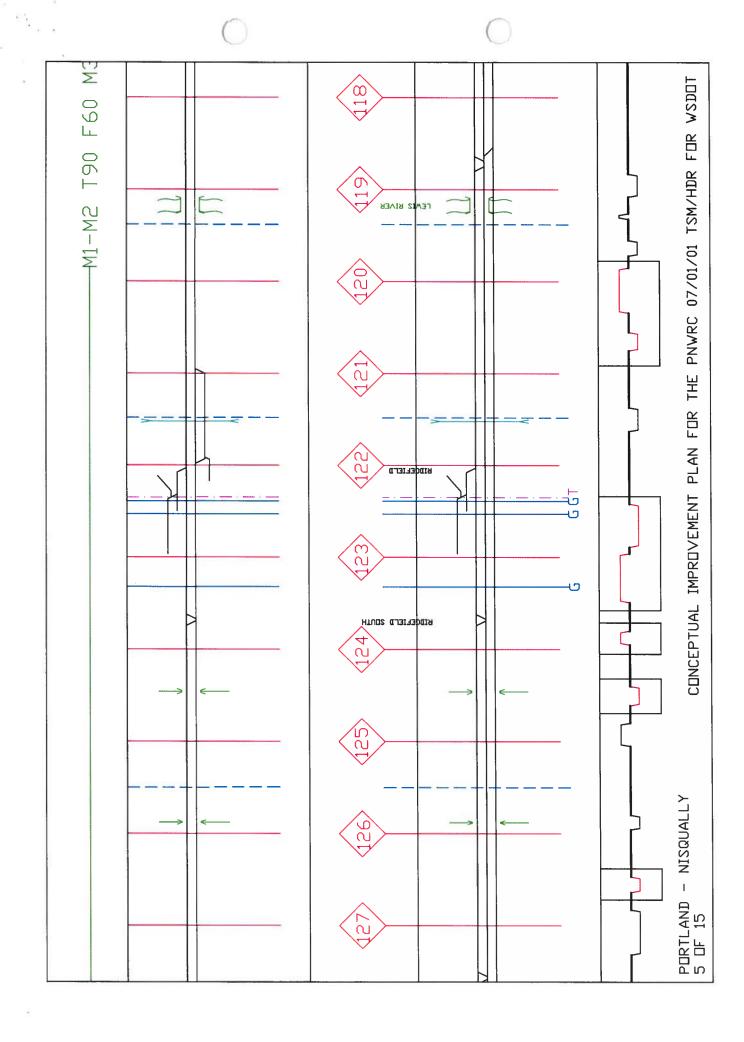
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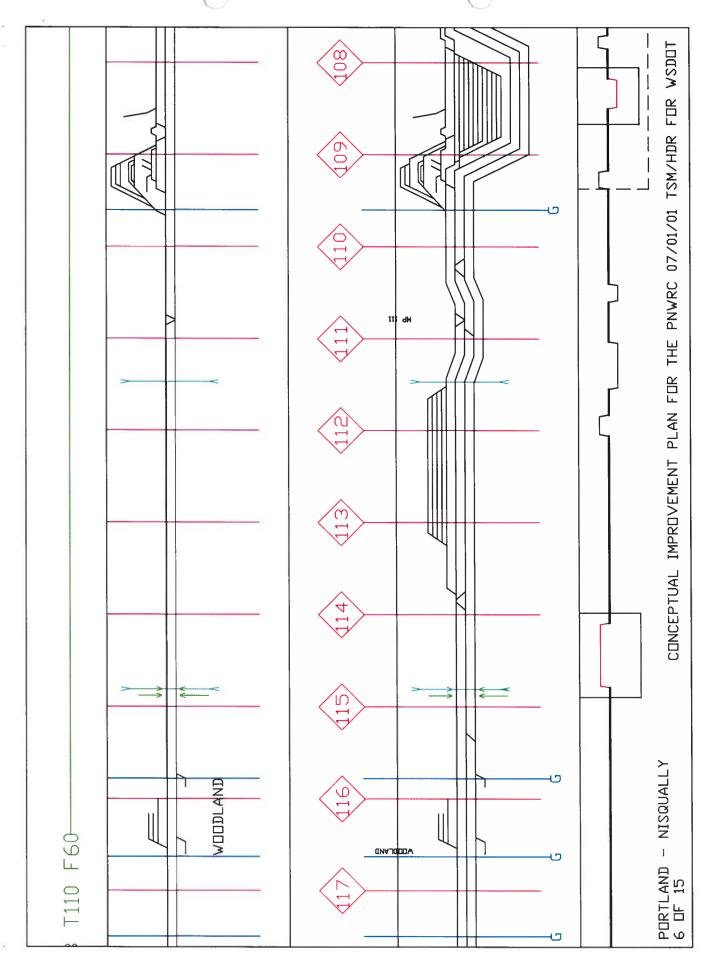
SEE SEPARATE PAGES INDEXED BY MP FOR ADDITIONAL INFORMATION



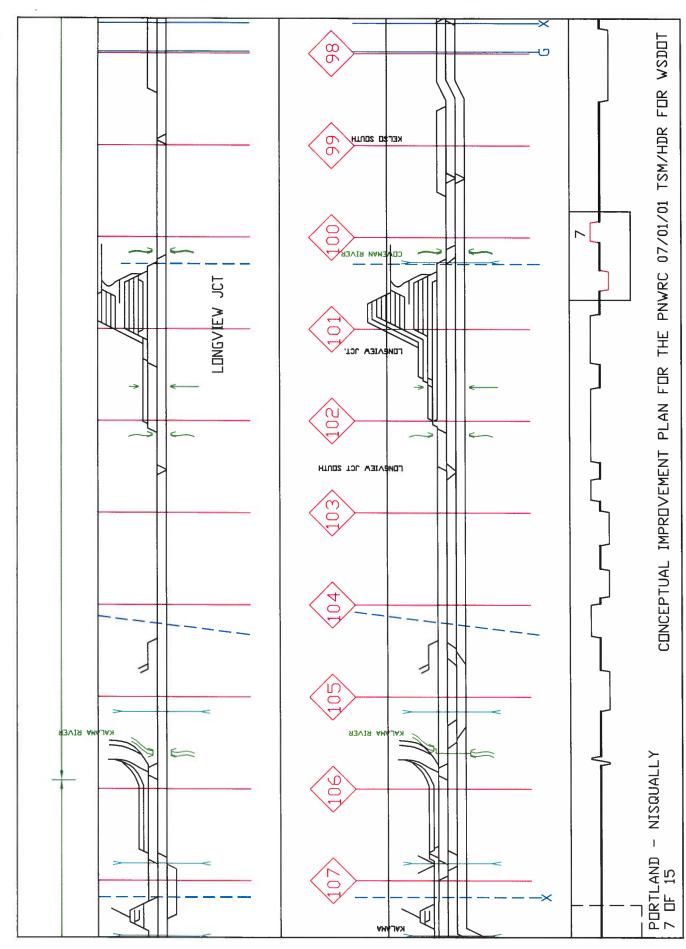




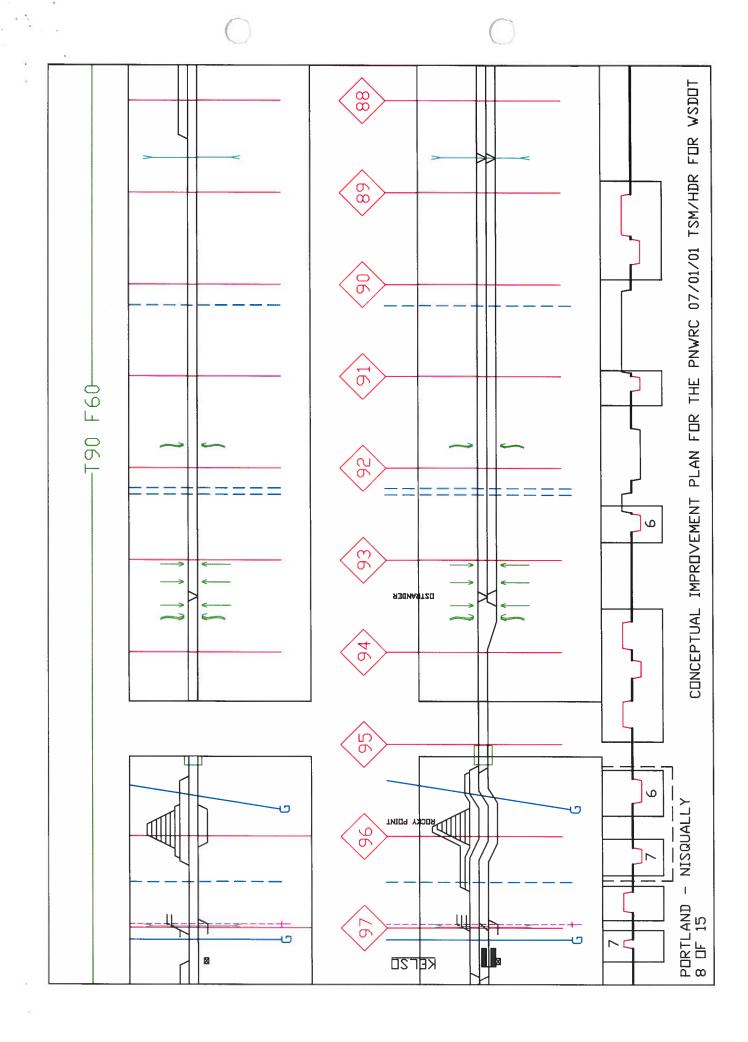


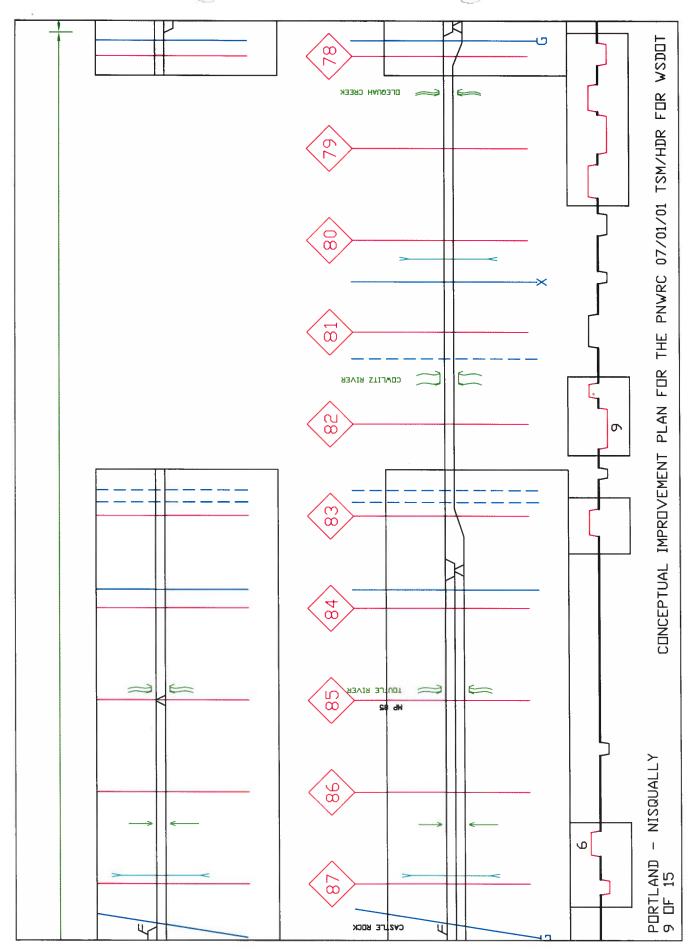


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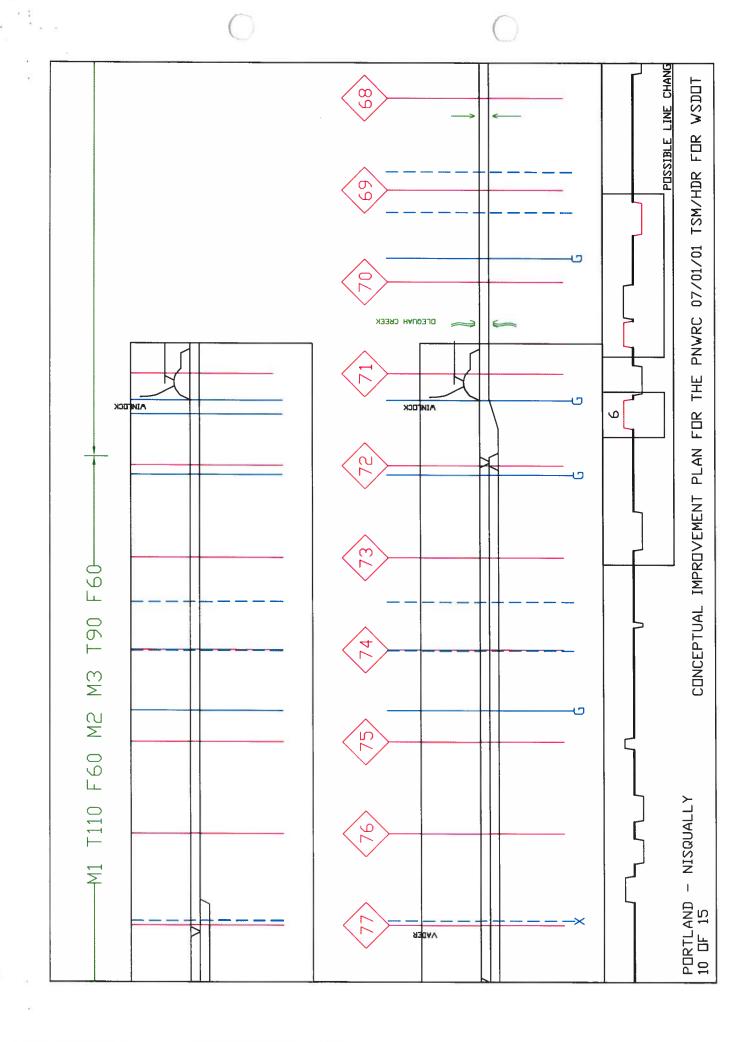


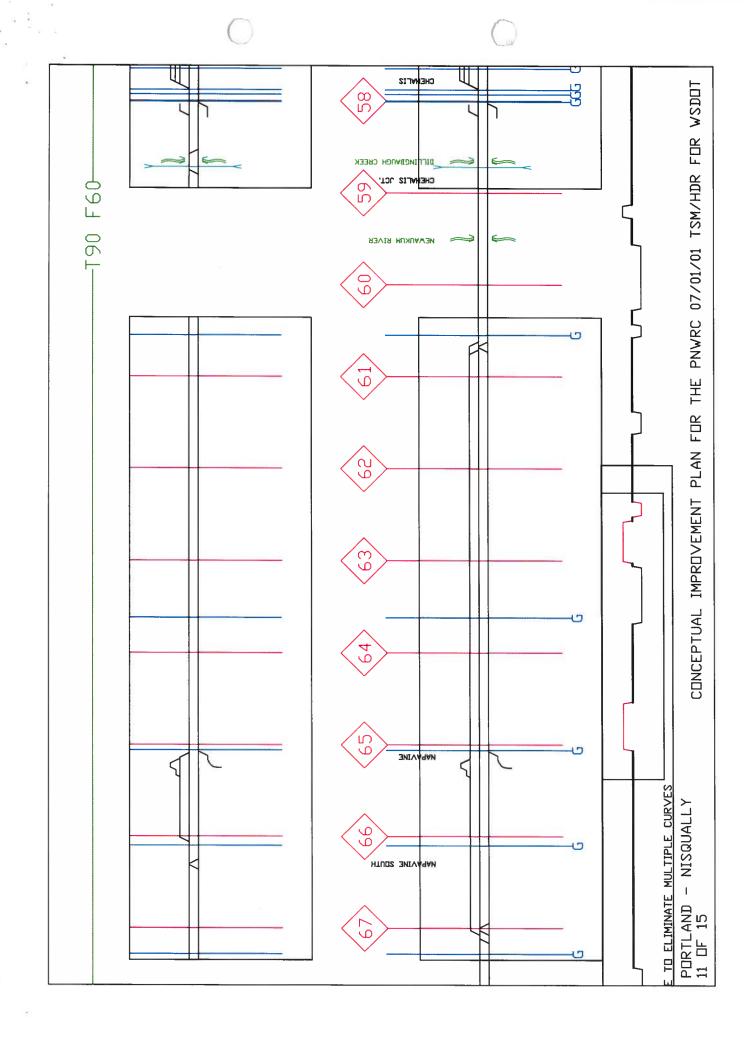
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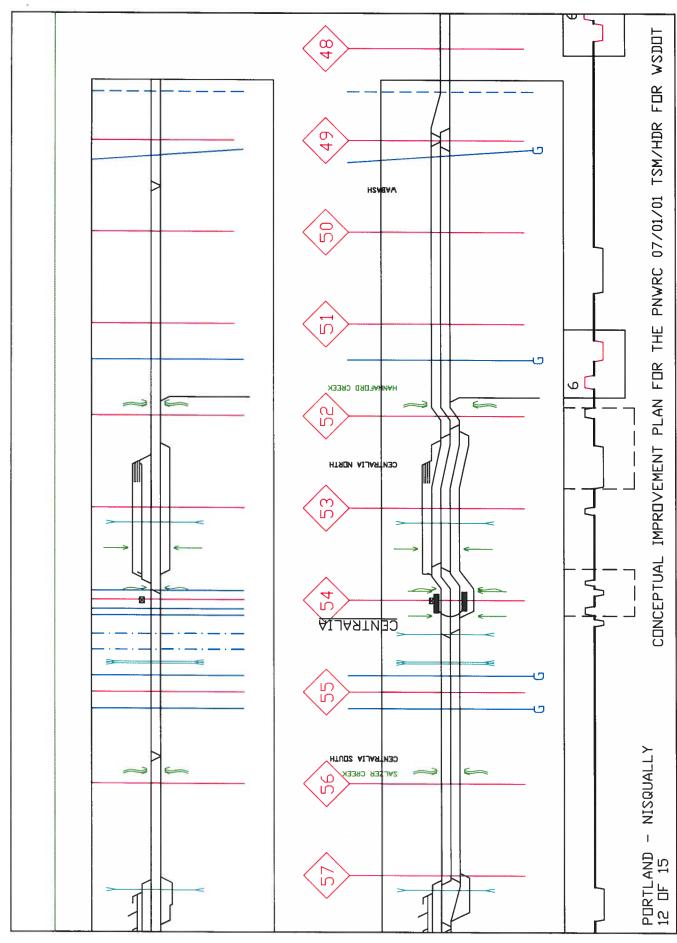




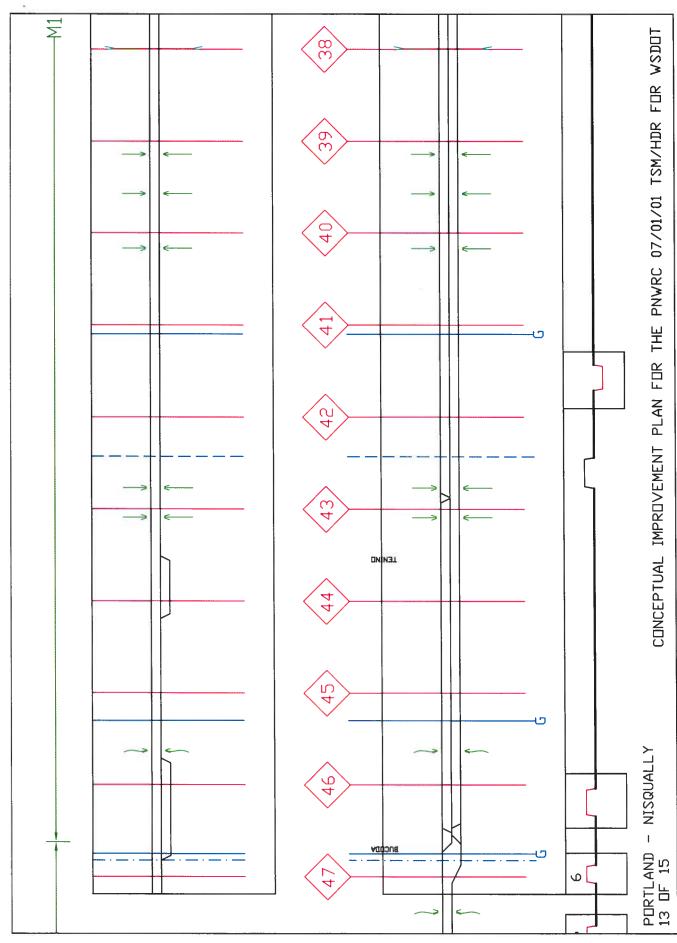
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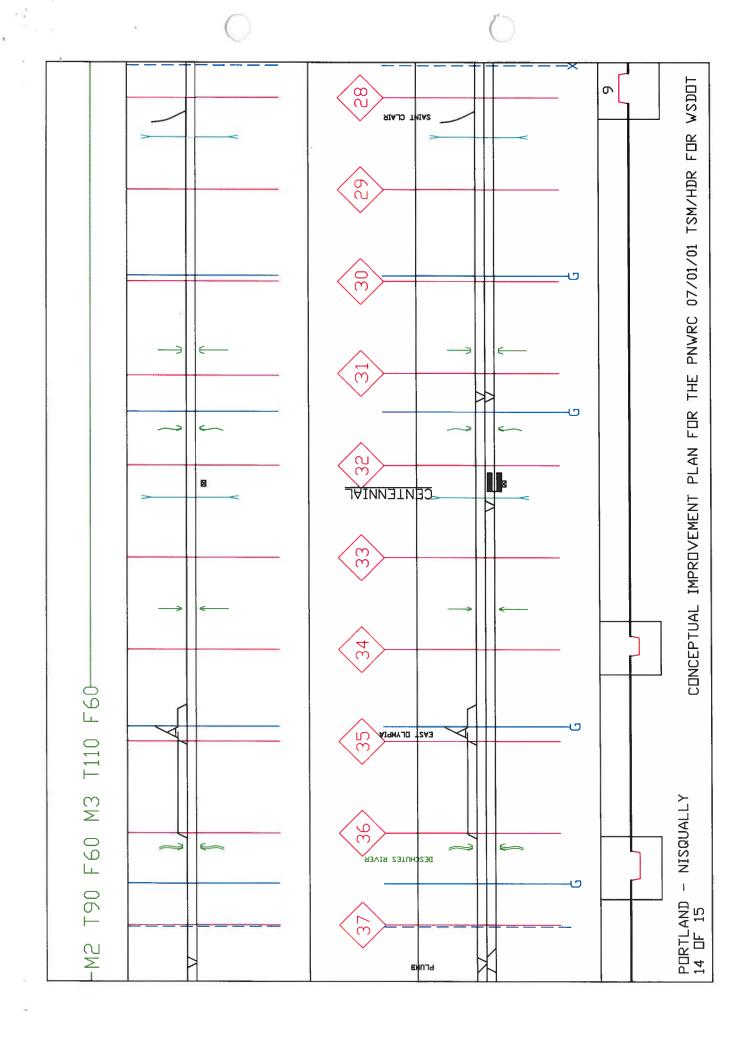


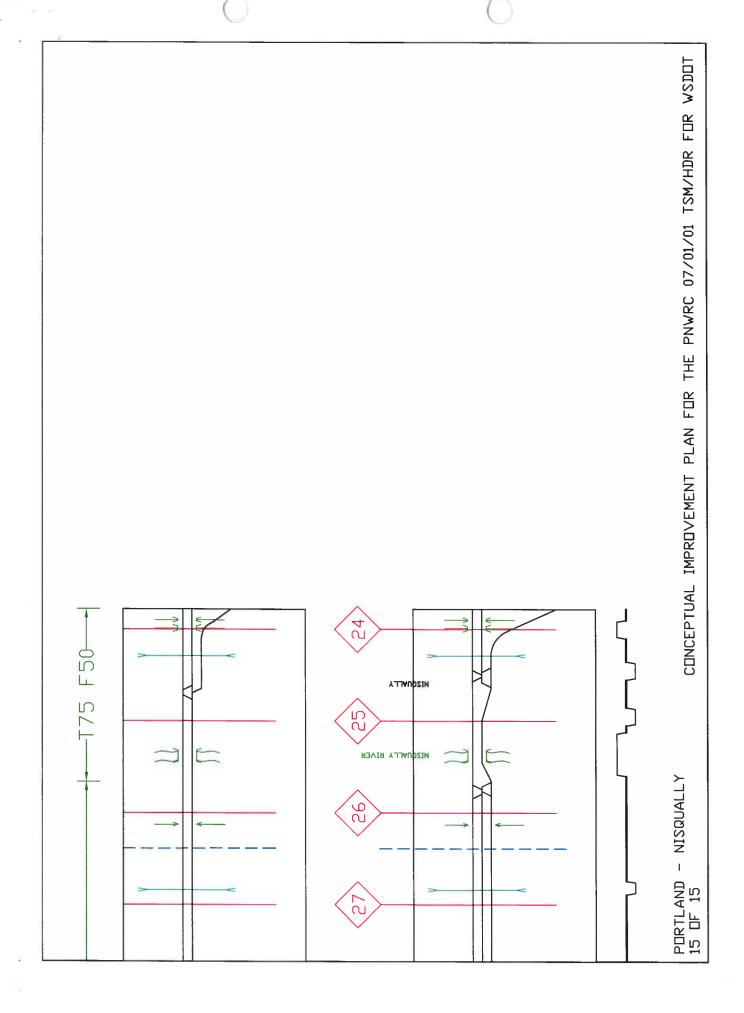
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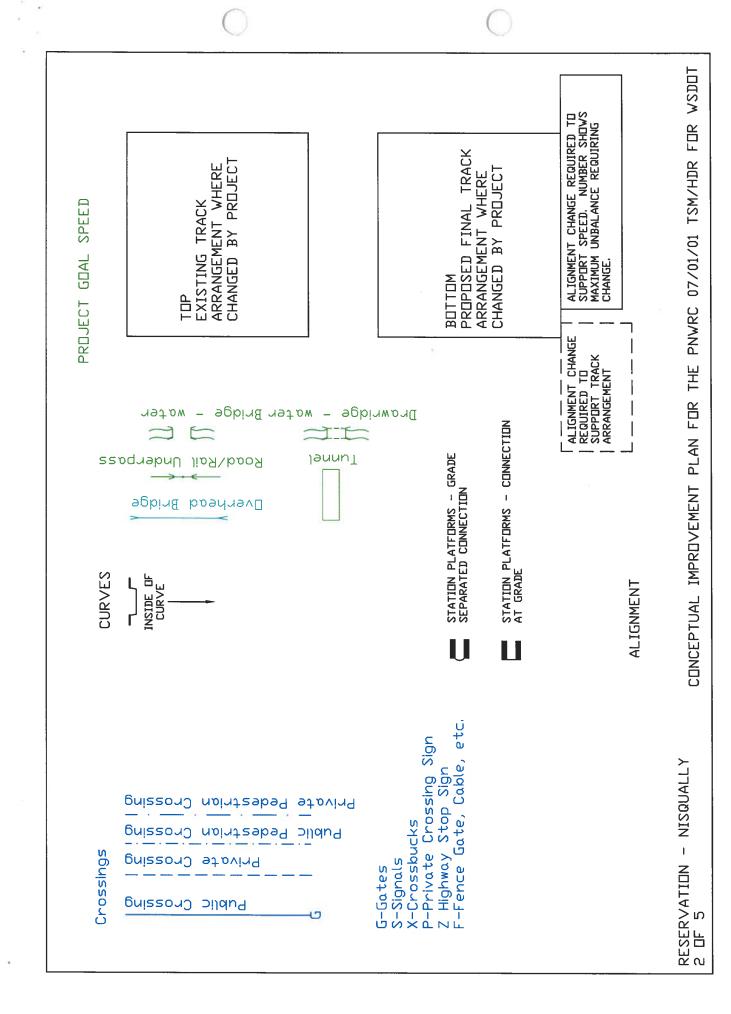


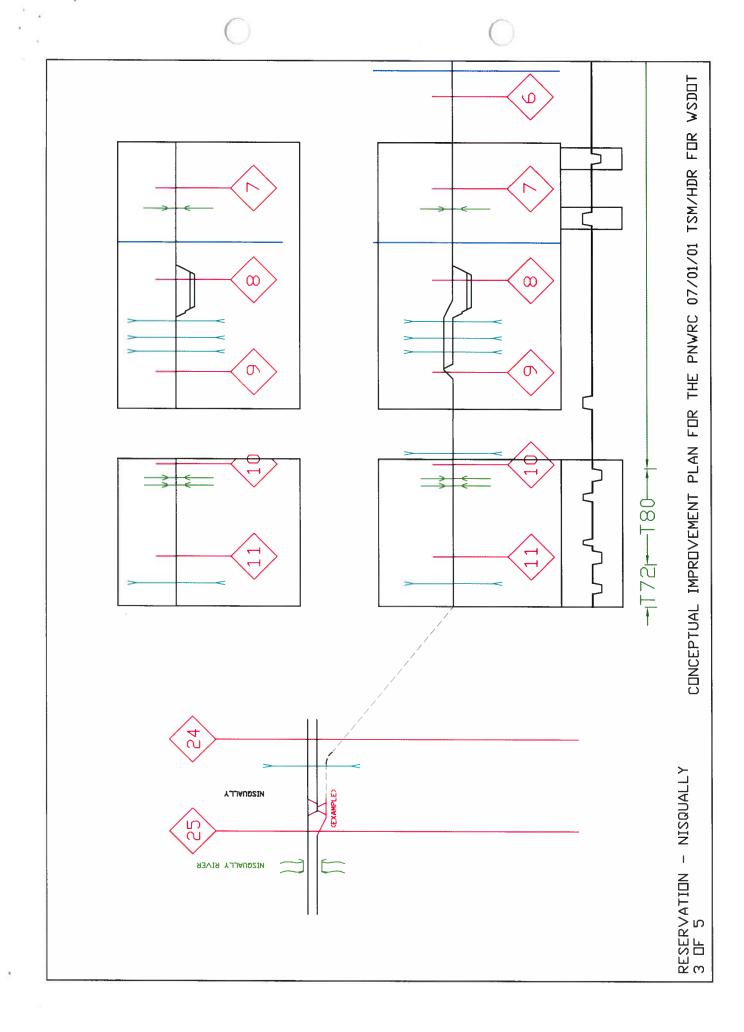
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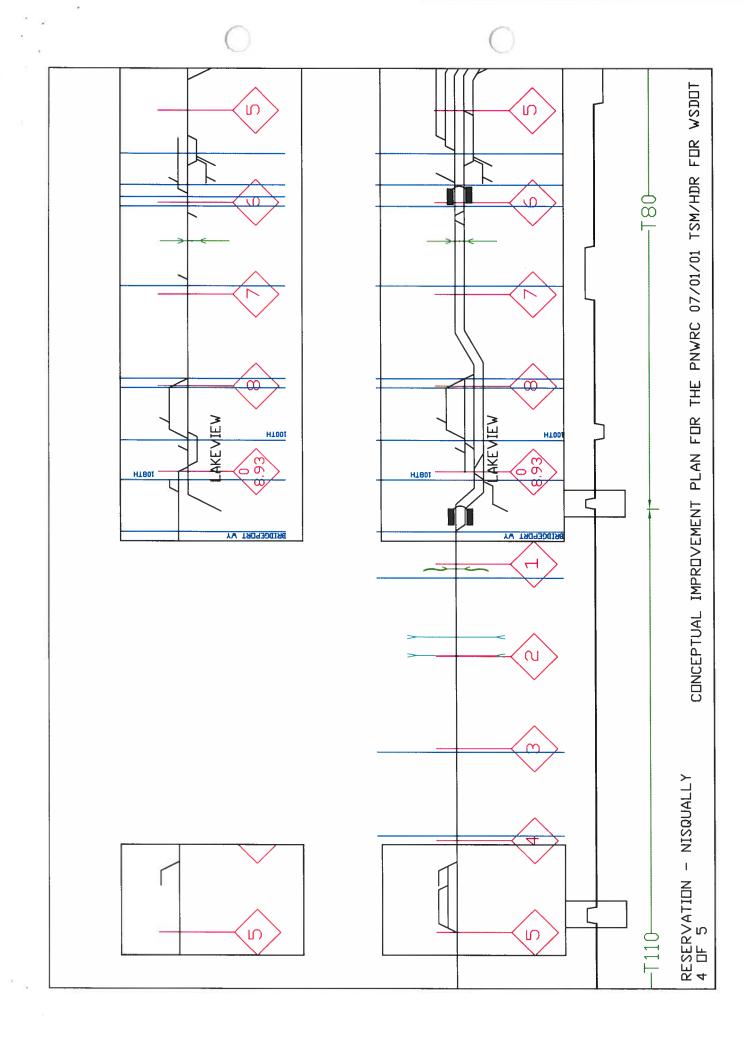
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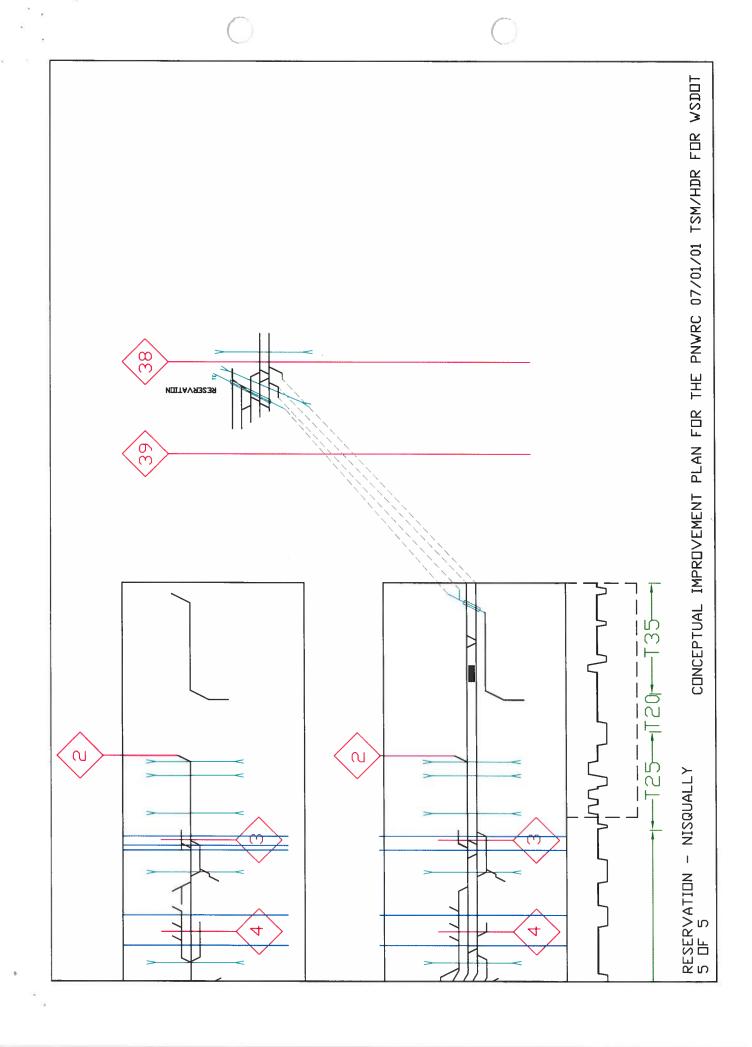
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CONCEPTUAL IMPROVEMENT PLAN FOR THE PNWRC 07/01/01 TSM/HDR FOR WSDOT









CONCEPTUAL IMPROVEMENT PLAN FOR PNWRC Reservation - everett

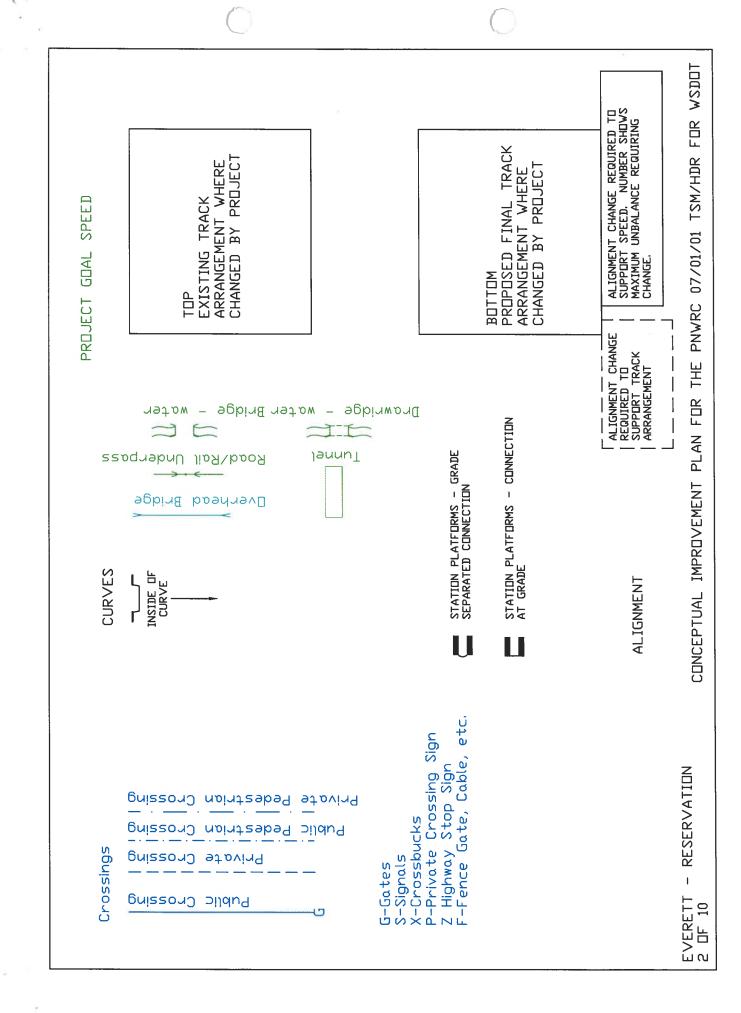
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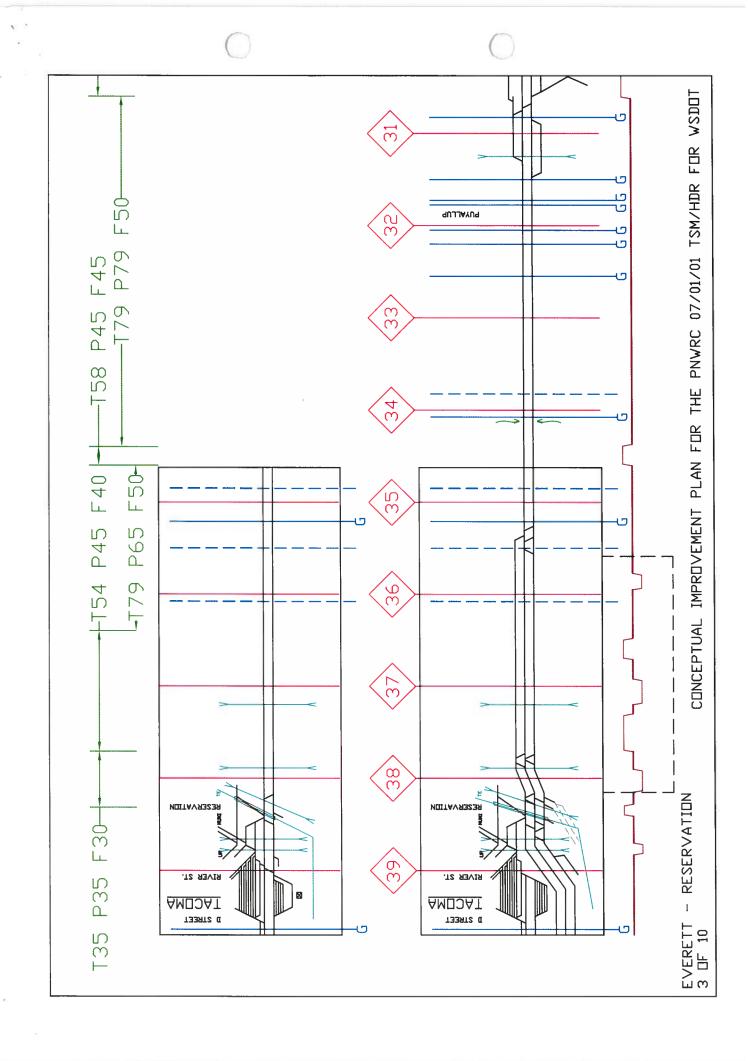
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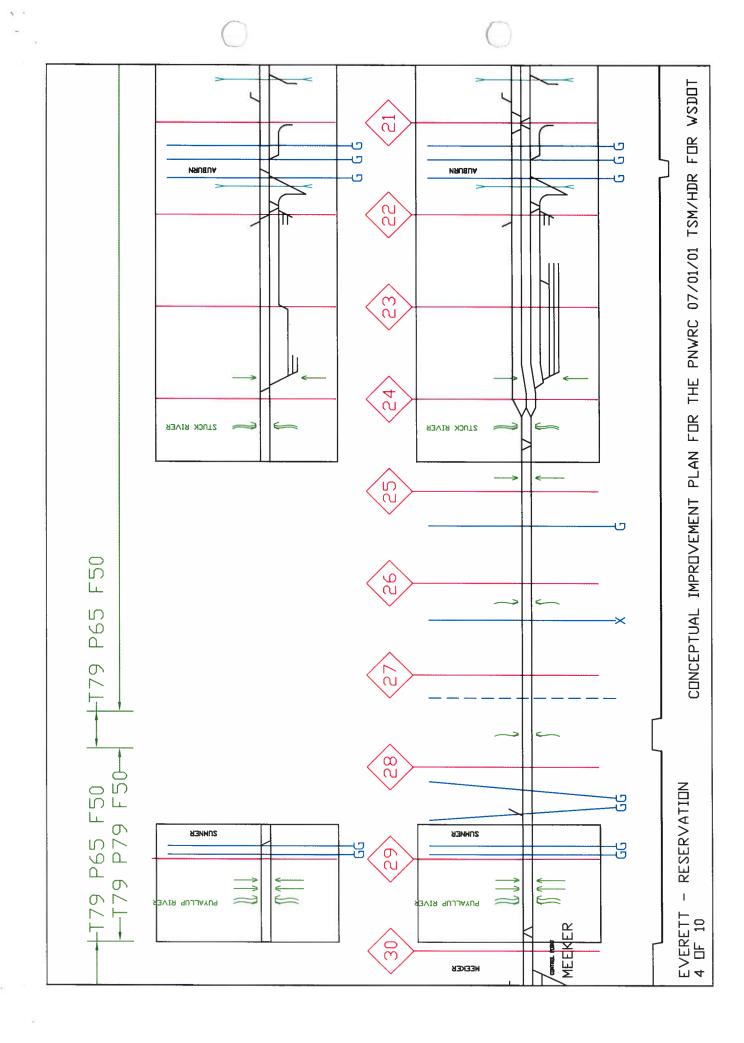
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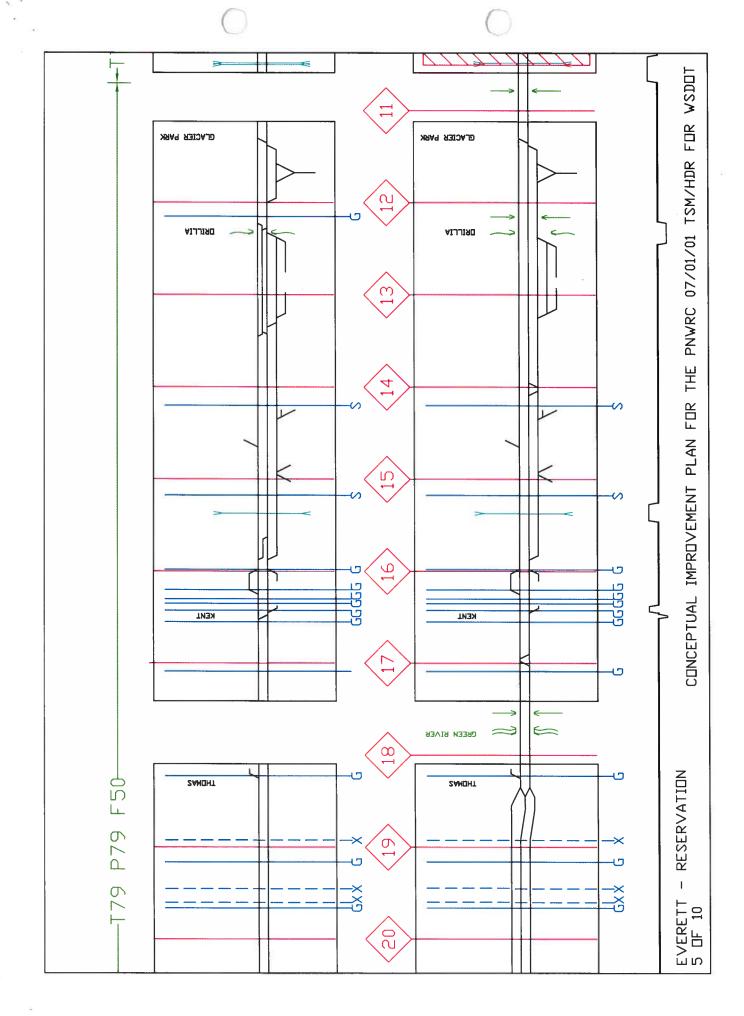
ARRANGEMENTS SHOWN HERE MAY NOT REFLECT CURRENT PROJECTS IN DEVELOPMENT

SEE SEPARATE PAGES INDEXED BY MP FOR ADDITIONAL INFORMATION

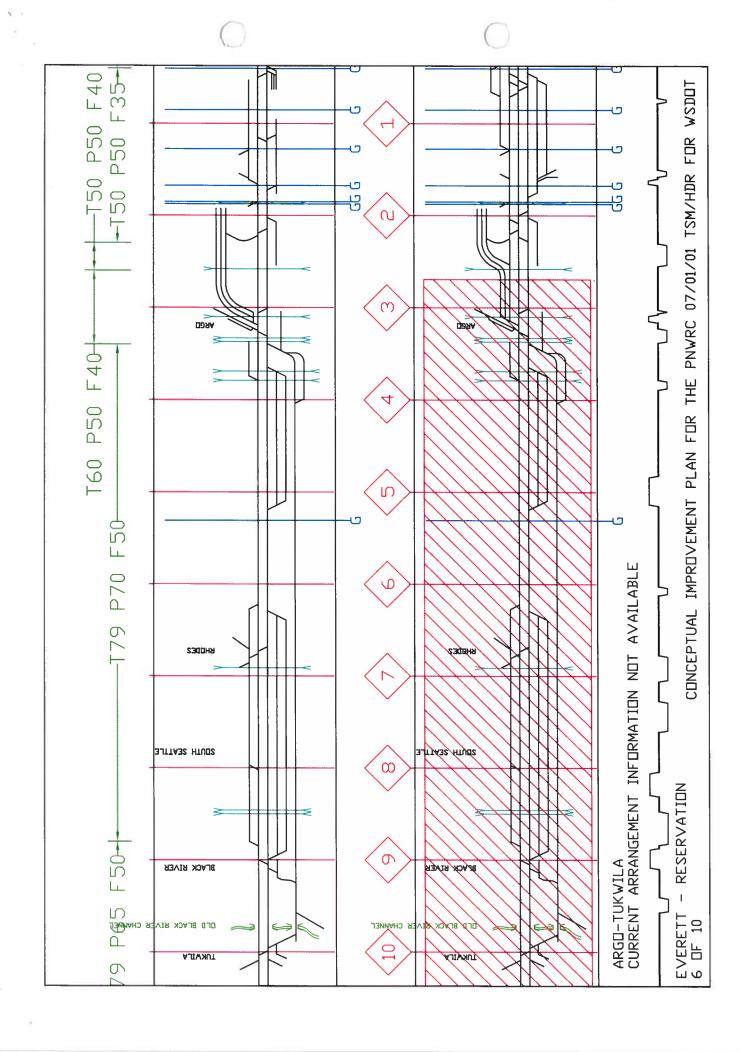


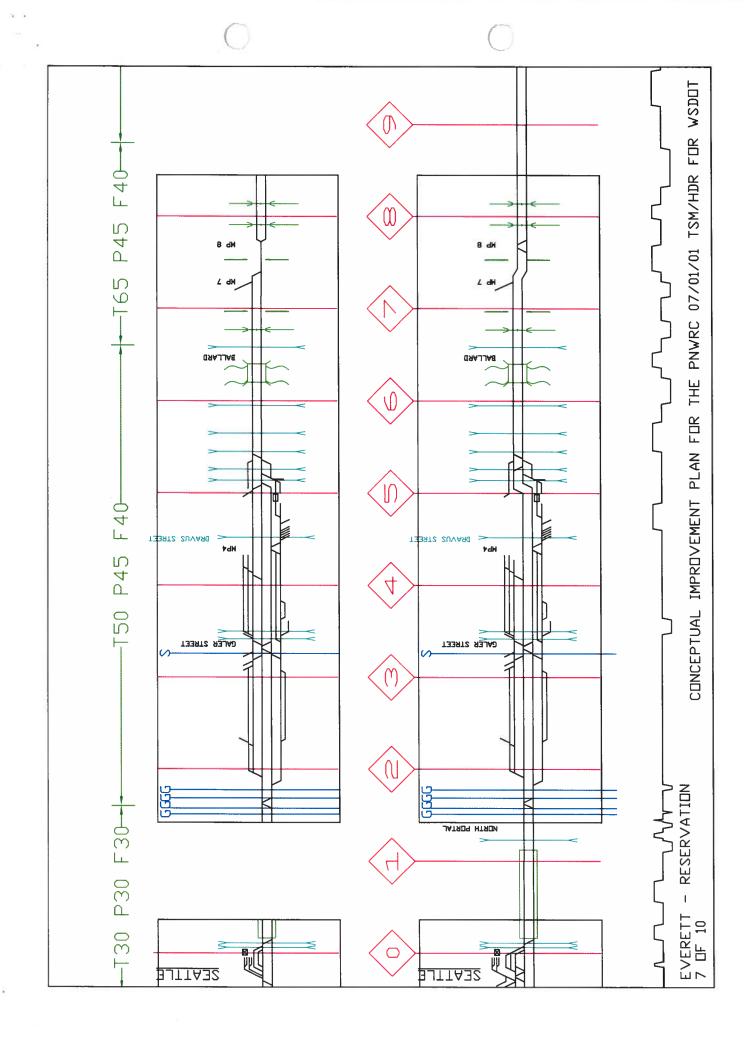


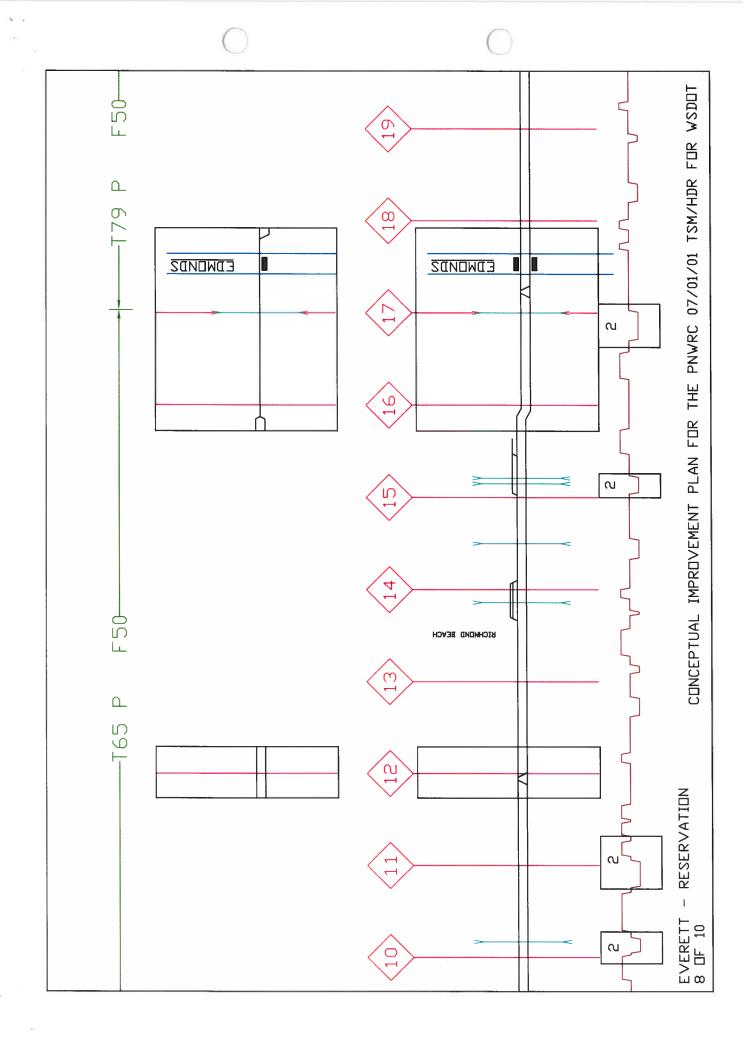


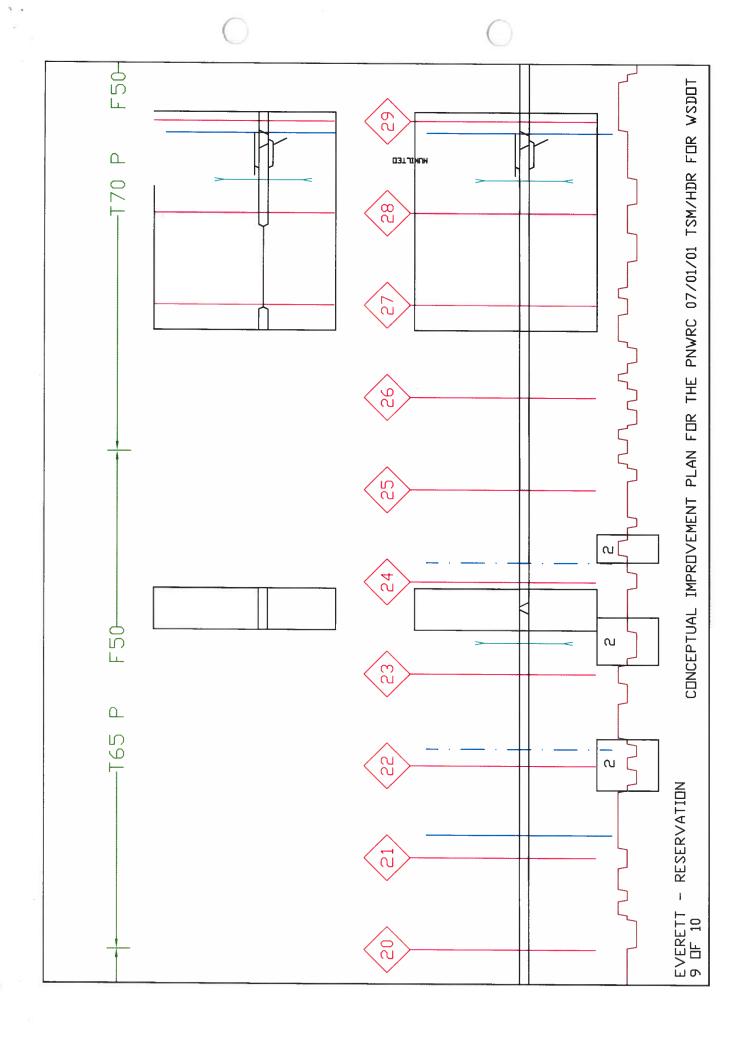


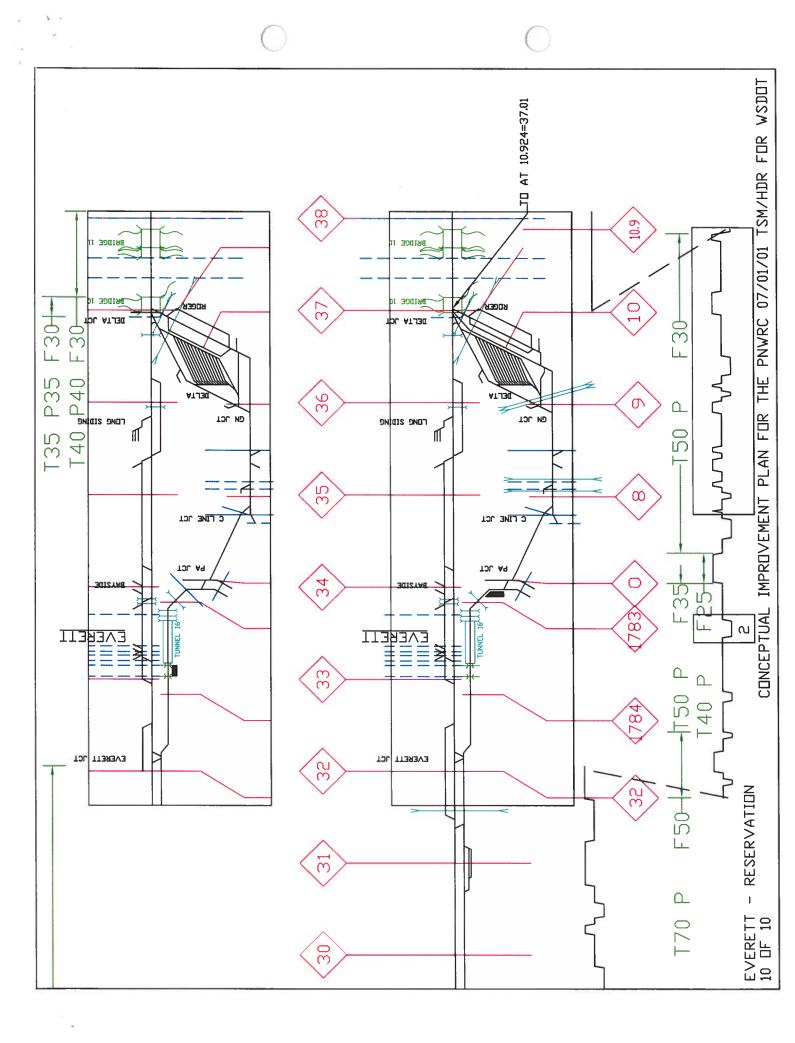
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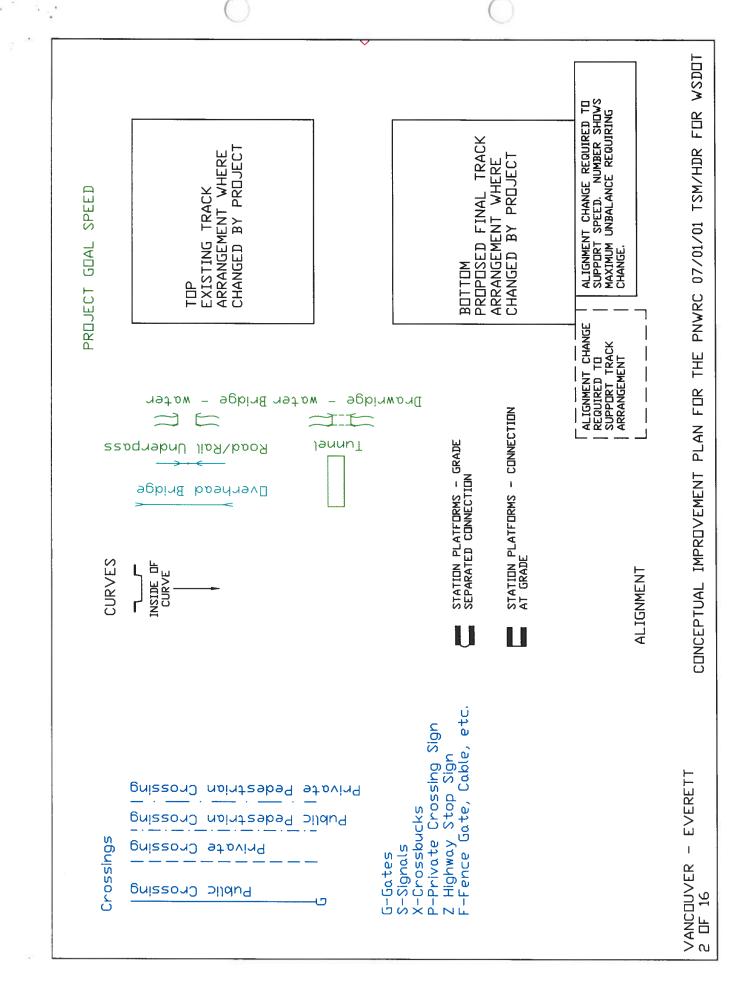


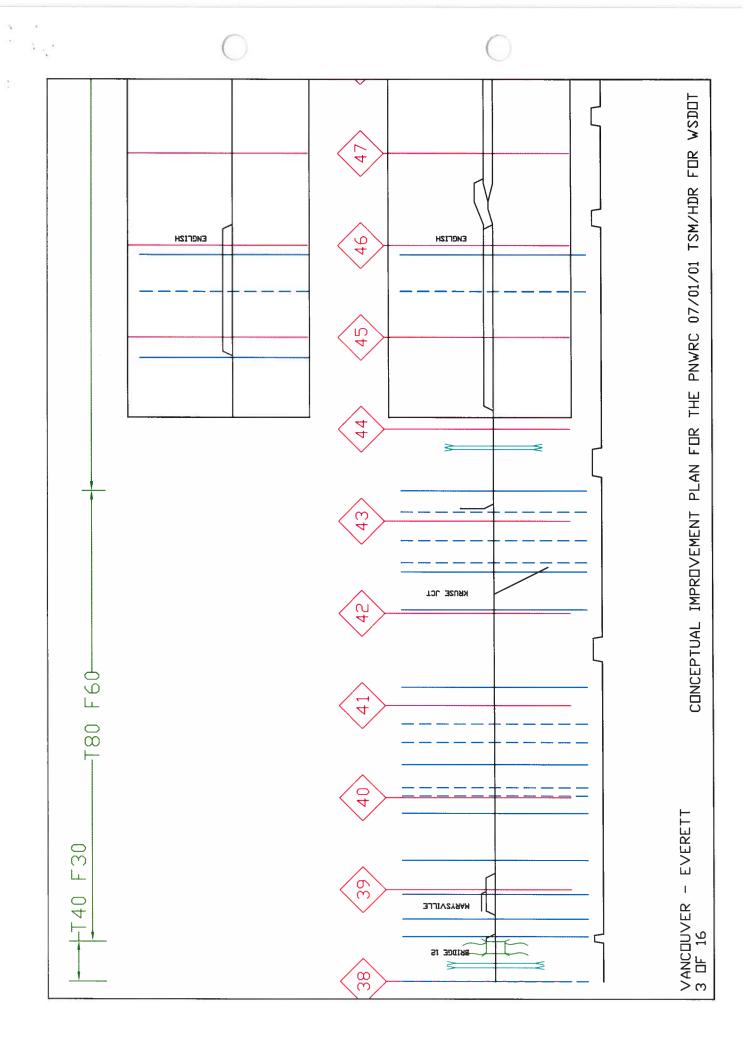
PNWRC CONCEPTUAL IMPROVEMENT PLAN FOR Everett - vancouver

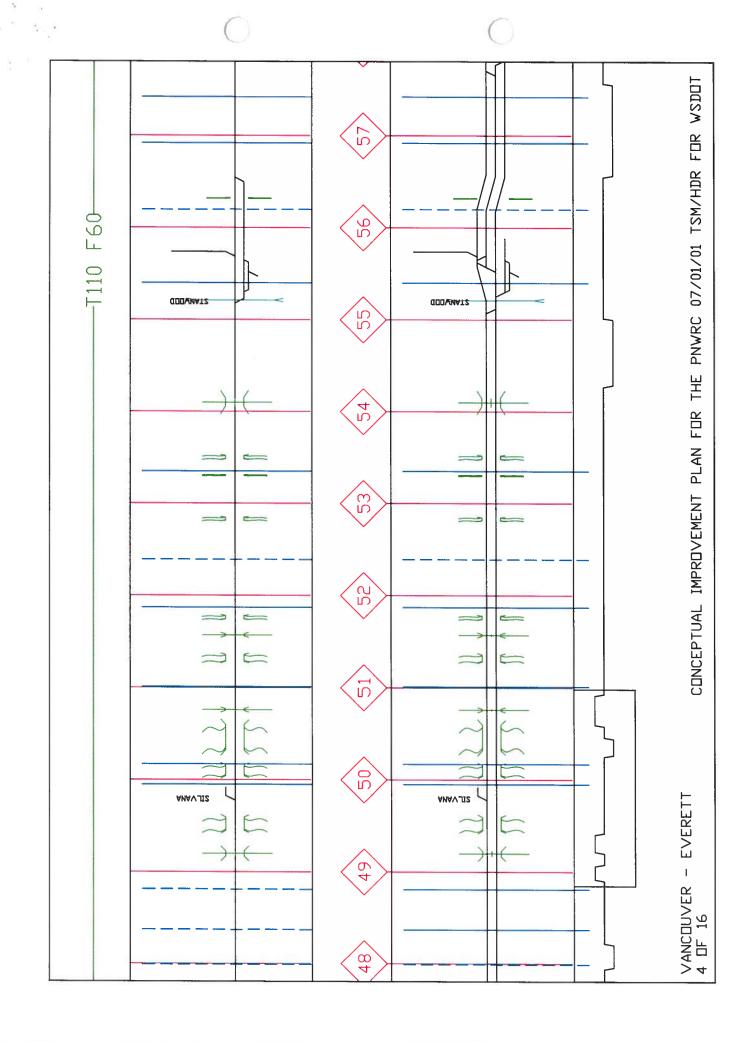
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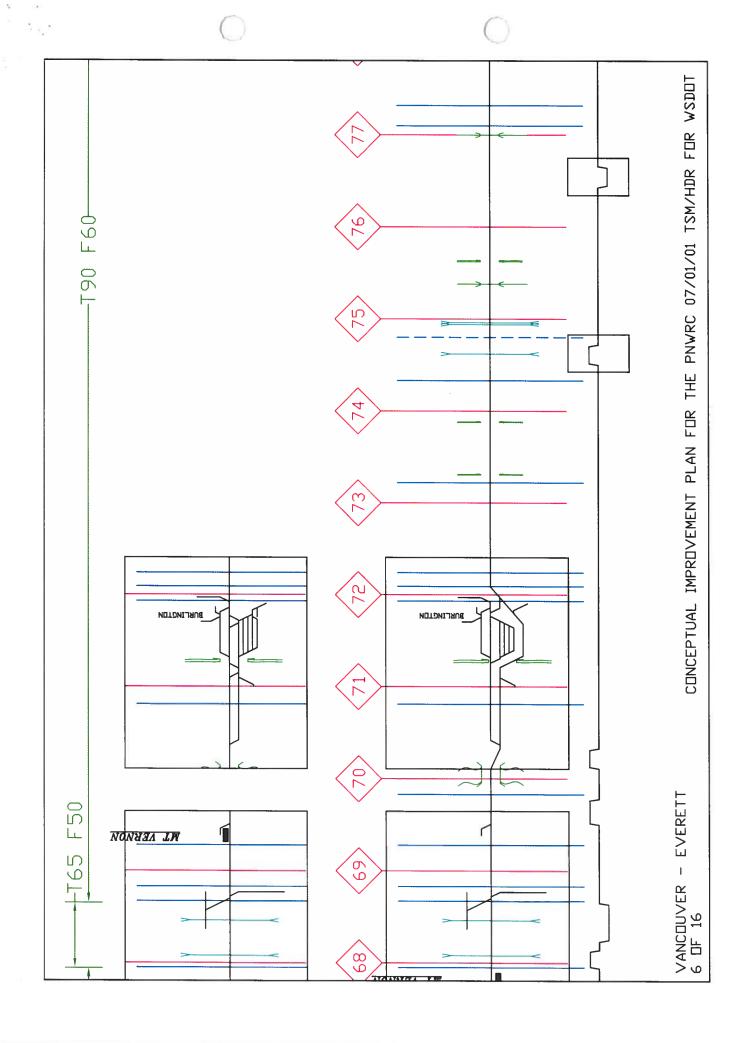
SEE SEPARATE PAGES INDEXED BY MP FOR ADDITIONAL INFORMATION

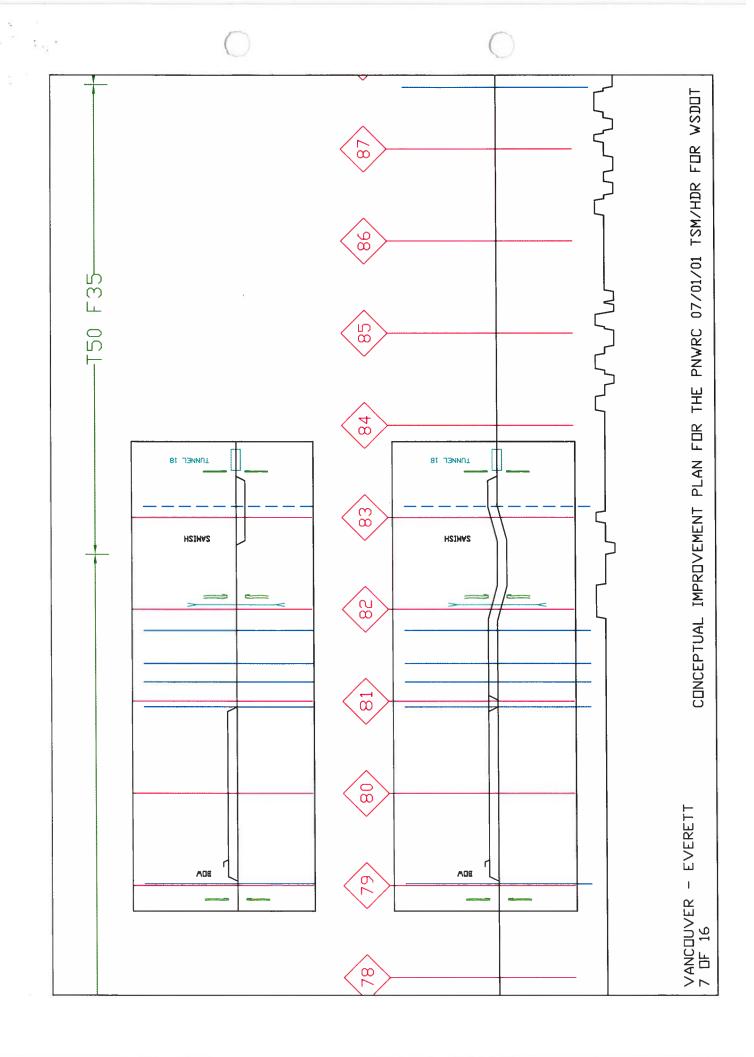


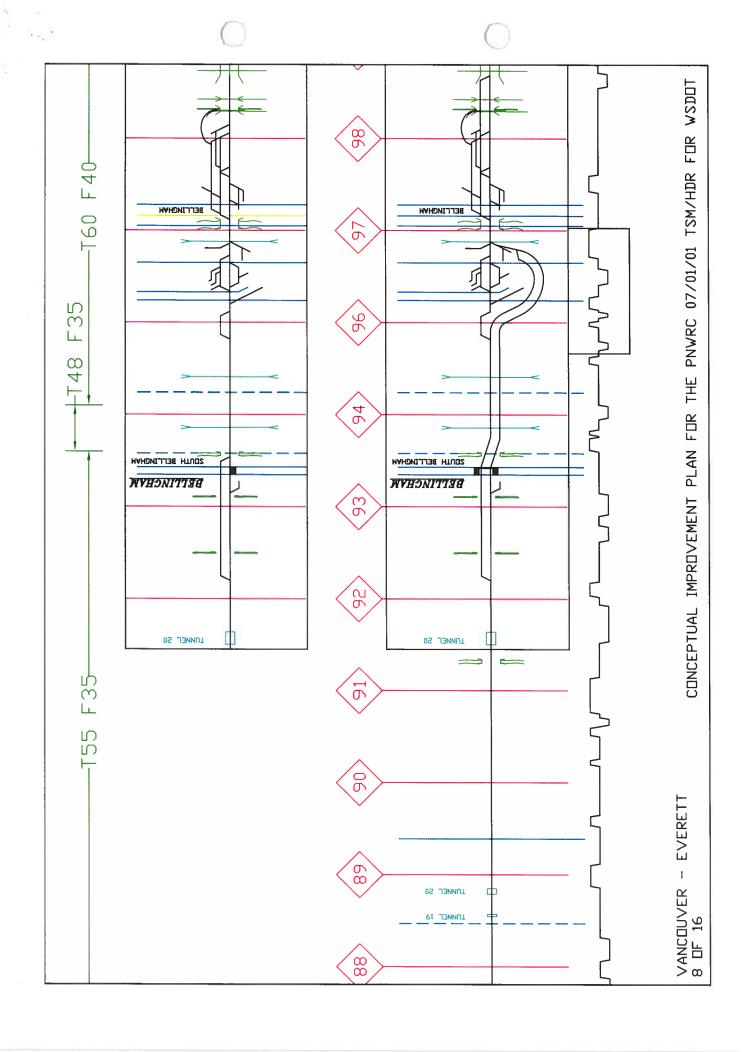


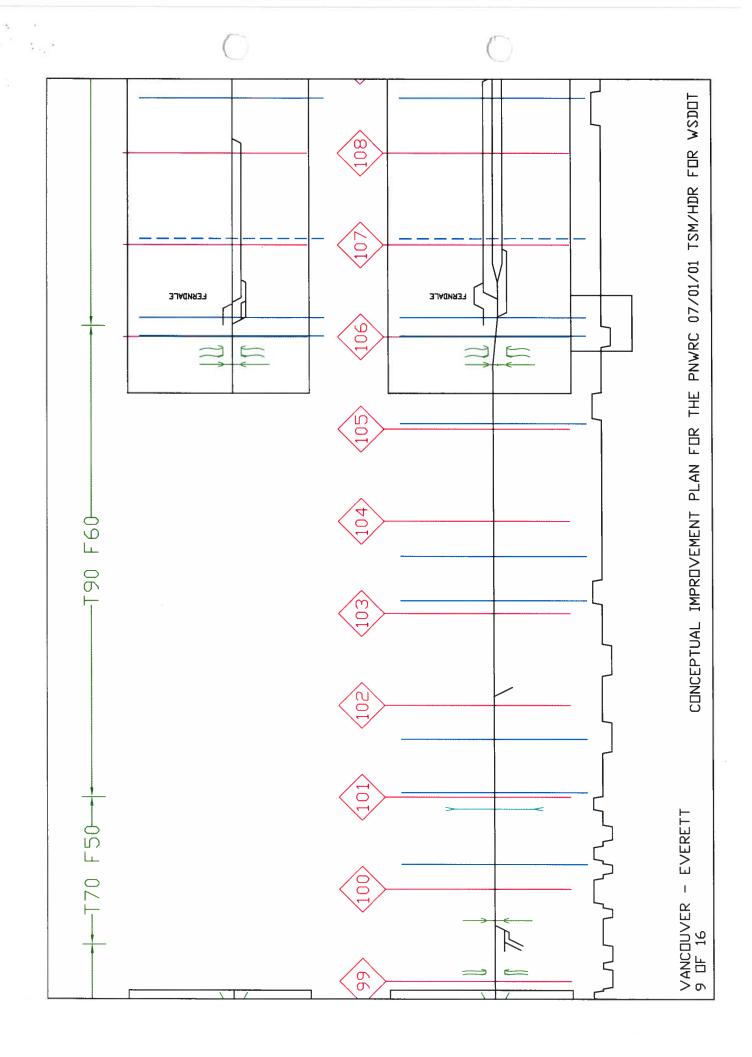


CONCEPTUAL IMPROVEMENT PLAN FOR THE PNWRC 07/01/01 TSM/HDR FOR WSDOT 67 MT VERNON MT VERNON 66) 63 62 VANCOUVER - EVERETT 5 DF 16







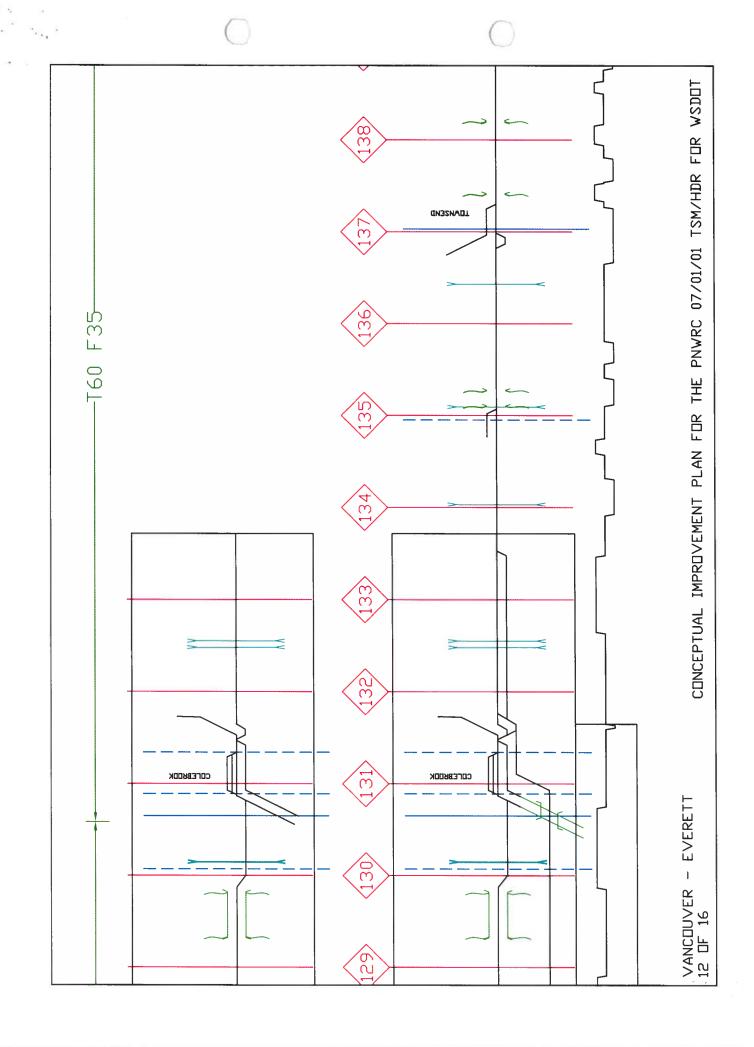


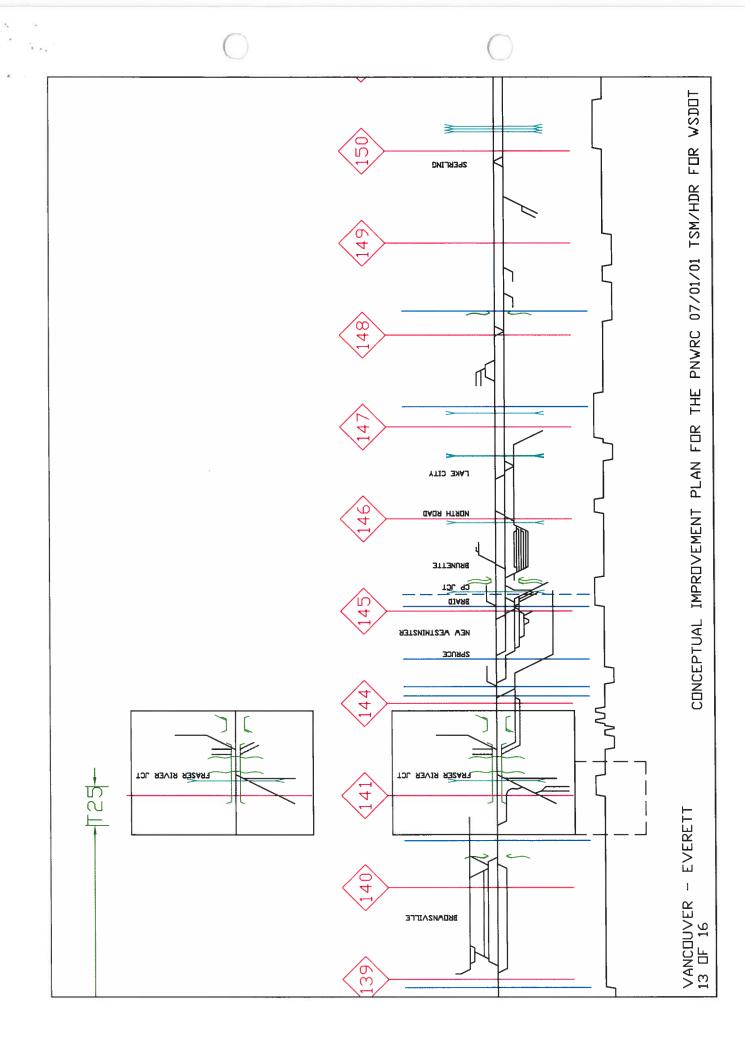
7110 F6 CONCEPTUAL IMPROVEMENT PLAN FOR THE PNWRC 07/01/01 TSM/HDR FOR WSDOT ZAILL ZAILL INTALCI INTALCII CUSTER СПЗТЕВ VANCDUVER - EVERETT 10 DF 16

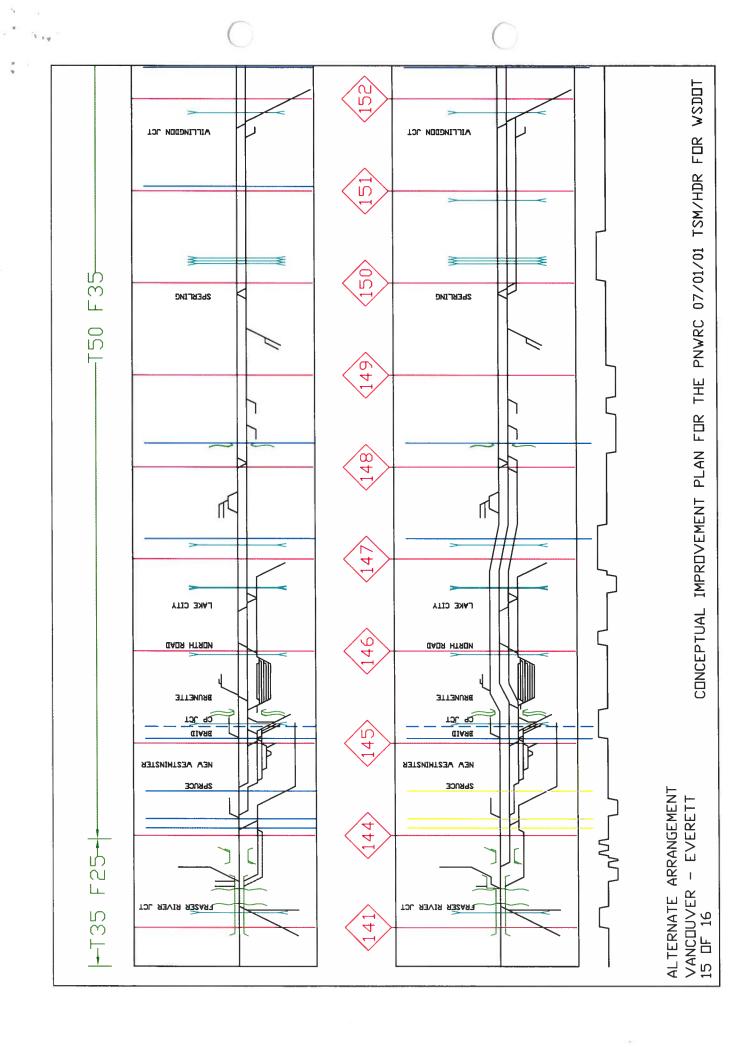
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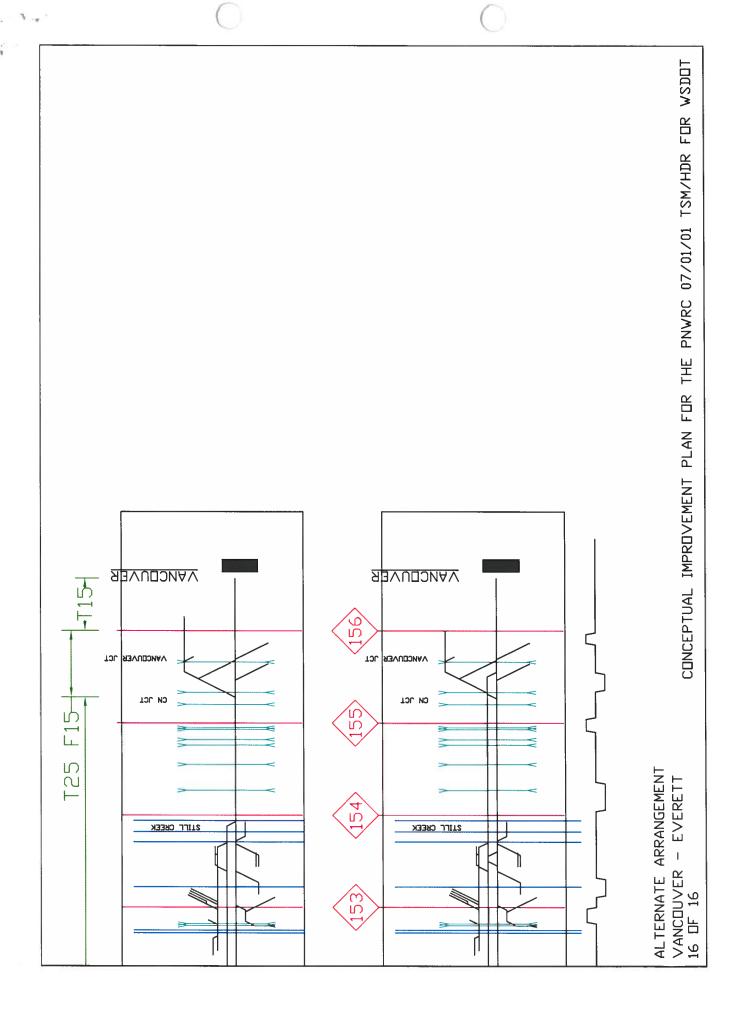
CONCEPTUAL IMPROVEMENT PLAN FOR THE PNWRC 07/01/01 TSM/HDR FOR WSDOT 69 30018B 981DGE 69 127 (126)124) 123) (122) VANCOUVER - EVERETT 11 DF 16 CANADA CANADA WHITE ROCK WHITE ROCK BLAINE BLAINE 119)

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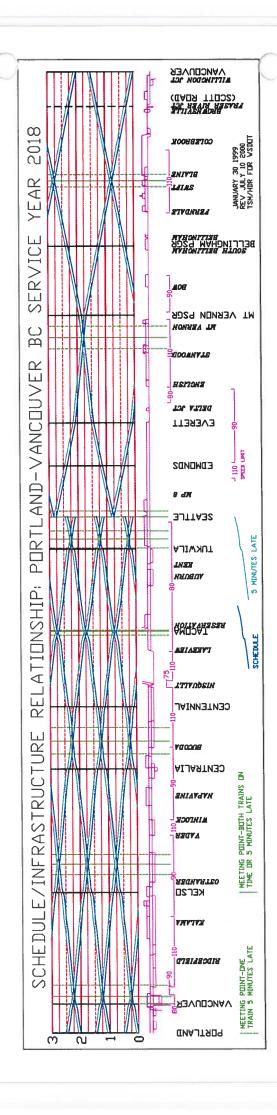


Exhibit 1, Conceptual Plan Example Schedules

Estimated distribution of trains for 6 incremental improvement stages. Running times are estimated based upon existing information. Meeting points are estimated where required. No crew or equipment plan have been developed and no changes in service between Portland and Eugene have been considered.

Α	CURRENT + 1 SEATTLE - PORTLAND
В	A + 1 SEATTLE - PORTLAND AND SEATTLE - BELLINGHAM EXTENDED TO VANCOUVER
	B + 3 SEATTLE - PORTLAND AND 1 SEATTLE - VANCOUVER AND
С	INCREMENTAL RUNNING TIME REDUCTION PROJECTS
D	C + 2 SEATTLE - PORTLAND AND ALL TRAINS 2 LOCOMOTIVES
E	D + 2 SEATTLE - PORTLAND AND 1 SEATTLE - VANCOUVER AND 90 MPH ON CLASS 6 TRACK SEATTLE - PORTLAND 110 MPH CLASS 6 TRACK SEATTLE - VANCOUVER
F	FULL DEVELOPMENT

Example schedules accompany "Seattle - Portland Phased Implementation.xis"
Initial station times define the schedules
Intermediate station and final station times are not necessarily accurate for the implementation year

Exhibit 1, Conceptual Plan Example Schedules

Current Schedules
Amtrak Cascades Service
June 2002

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756	Talgo								0 0 0 0 0 0 0 0 0 0	21:45	21:17	20:47	20:07	19:47	19:06	18:33	18:15				
14	Superliner	000000 1000000		00100 001000 00100		0.000000000000000000000000000000000000	000000 1 00000 1 0000000 1 00000 1 00000 1 00000 1 00000 1 00000 1 00000 1 00000 1 000000 1 00000 1 000000 1 00000 1 0			20:25		19:00	18:12	17:50	17:04	16:23	16:00	15:40	14:03	13:30	12:44
762	Talgo			20:00		18:56	18:20	17:58	17:30				1						10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
754	Talgo	100 00 00 00 00 00 00 00 00 00 00 00 00		10000000000000000000000000000000000000		0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-	0 - 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		0.0000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0	16:00	15:32	15:02	14:22	14:02	13:21	12:48	12:30	10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000	99000 90000 90000 90000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000		
552	Talgo							######################################	00000000000000000000000000000000000000		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		100 mm m			\$2.00 miles \$1.00 miles \$1	10000 10000	12:05	10:42	10:13	9:30
752	Talgo	100000 1000000		00000000000000000000000000000000000000	10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0					12:15	11:47	11:17	10:37	10:17	9:36	6:03	8:45	8:20	6:57	6:28	5:45
260	Talgo	11:40		9:52	143222	9:21	8:35	8:13	7:45	100 mm m m m m m m m m m m m m m m m m m		Unit Unit	0.00 (10 mm (10 mm)		10000		100 m m m m m m m m m m m m m m m m m m	10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -
	CURRENT	Vancouver	Bellingham Passenger	Station	Mt Vernon Passenger	Station	Everett	Edmonds	Seattle	Seattle	Tukwila	Тасоша	Centennial	Centralia	Kelso	Vancouver	Portland	Portland	Salem	Albany	Eugene
751	Talgo		10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0						7:30	7:44	8:18	8:55	9:18	9:57	10:32	11:00	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		10000000000000000000000000000000000000	10.00 10.00
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761	Talgo	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		10:20		10:46	11:33	11:55	12:45	10000 10000		100 000 000 000 000 000 000 000 000 000	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		### ##################################	100 mm 1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				100000 1000000
753	Talgo	11111111111111111111111111111111111111							10000 10000	13:45	13:59	14:33	15:10	15:33	16:12	16:47			18:37	19:06	20:05
755	Talgo		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		00-00-00-00-00-00-00-00-00-00-00-00-00-			1000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	100000 1000000	17:20	17:34	18:08	18:45	19:08	19:47	20:22	20:52	21:00	20.02	22:36	23:35
763	Talgo	18:00		19:30		19:56	20:43	21:05	21:55	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		1		1, 1, 1, 1, 1, 1, 1, 1,					1		

9:10

Time until next
Vancouver / Seattle
Seattle / Portland

9:45

3:45

5:45

Example schedules accompany "Seattle - Portland Phased Implementation.xls" initial station times define the schedules Intermediate station and final station times are not necessarily accurate for the implementation year

Exhibit 1, Conceptual Plan Example Schedules
Current Schedules
Amtrak Cascades Service
June 2002

_	ş1	anna T		203121000	gener	ppa-	pane F	I A	. '	h 1	P 1	N 1	/C ¹	m'	10.11	name I	2200-	2000-	EMBO-
756	Talgo	0-040 0-040 10-040			00 000 00 000		1 2 0 0 0 1 1 2 1 0 0 0 0 1 1 0 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 0 1 0	21:45	21:17	20:47	20:07	19:47	19:06	18:33	18:15	00 00 00 00 00 00 00 00 00 00 00 00 00	10 de 12 de	1000 1000 1000 1000 1000 1000 1000 100	000 000 000 000 000 000 000 000 000 00
14	Superliner	日本地域 の対する日 のがする日 のがする のが		# 10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	10101 10101			20:25		19:00	18:12	17:50	17:04	16:23	16:00	15:40	14:03	13:30	12:44
762	Talgo		20:00	18:56	18:20	17:58	17:30		00000 00000 00000 00000 00000 00000 0000	00111 00111 00101 000001 000000		0000 0000 0000 0000 0000 0000 0000 0000 0000	00000 00000 00000 00000 00000 00000 0000						0000 0000 0000 0000 0000 0000 0000 0000 0000
754	Talgo	00000000000000000000000000000000000000	1		100 A	\$500 00 00 00 00 00 00 00 00 00 00 00 00		16:00	15:32	15:02	14:22	14:02	13:21	12:48	12:30				
552	Talgo			1-910-900 1-910-900	######################################	10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000 10000		100 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		1000 1000 1000 1000 1000 1000 1000 100	0000 0000 0000 0000 0000 0000 0000 0000 0000	00000000000000000000000000000000000000		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	12:05	10:42	10:13	9:30
752	Talgo			0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Dispose		1000	12:15	11:47	11:17	10:37	10:17	9:36	6:03	8:45	8:20	6:57	6:28	5:45
A2	Talgo			0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Comments	1000 1000 1000 1000 1000 1000 1000 100	1 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	10:00	9:32	9:02	8:22	8:02	7:21	6:48	6:30	10 cm		100 100 100 100 100 100 100 100 100 100	10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
260	Talgo	11:40	9:52	9-21	8:35	8:13	7:45							110 110 110 110 110 110 110 110 110 110	0.000 0.0000 0.0000 0.000 0.000 0.000 0.000 0.0000 0.000 0.000 0.000 0.000 0.0000 0.000 0.0000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0				
	A	Vancouver	Bellingham Passenger Station	Mt Vernon Passenger	Everett	Edmonds	Seattle	Seattle	Tukwila	Tacoma	Centennial	Centralia	Kelso	Vancouver	Portland	Portland	Salem	Albany	Eugene
751	Talgo	22 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		10 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		10000 10000		7:30	7:44	8:18	8:55	9:18	9:57	10:32	11:00	100			
11	Superliner	10000000000000000000000000000000000000		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Column		10000 10000	9:45		10:43	11:29	11:52	12:38	13:19	13:55	14:15	15:27	16:00	17:00
761	Talgo		10:20	40.48	11:33	11:55	12:45			# 1			1000 1000 1000 1000 1000 1000 1000 100	######################################	00000000000000000000000000000000000000			1000 1000 1000 1000 1000 1000 1000 100	
753	Talgo							13:45	13:59	14:33	15:10	15:33	16:12	16:47	17:15	17:30	18:37	19:06	20:05
755	Talgo				0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		17:20	17:34	18:08	18:45	19:08	19:47	20:55	20:50	21:00	22:07	22:36	23:35
Þ4		60-00 60 60-00 60-00 60-00 60-00 60-00 60-00 60-00 60-00 60 60-00 60 60-00 60 60-00 60 60 60 60 60 60 60 60 60 60 60 60 6						19:30	19:44	20:18	20:55	21:18	21:57	25:32	23:00				
263	Talgo	18:00	19:30	0	20:43	21:05	21:55	0 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0											

6:15 9:10

Time until next
Vancouver / Seattle
Seattle / Portland

2:15 9:45

5:45

Example schedules accompany "Seattle - Portland Phased Implementation.xls" Initial station times define the schedules Intermediate station and final station times are not necessarily accurate for the implementation year

Exhibit 1, Conceptual Plan

Example Schedules

Current Schedules

Amtrak Cascades Service
June 2002

	,	man .	Here	1000			nier I	TOOM:	agen.	110	_	<u>~</u> '	~ '	.	ic.	m.	IC.	gpgnr	22224	1200	10000
756	Talgo						100 0 100 0	2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		21:45	21:17	20:47	20:07	19:47	19:06	18:33	18:15		1000 1000 1000 1000 1000 1000 1000 100	1000 1000 1000 1000 1000 1000 1000 100	1000 1000 1000 1000 1000 1000 1000 100
14	Superliner		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							20:25		19:00	18:12	17:50	17:04	16:23	16:00	15:40	14:03	13:30	12:44
762 B2	Talgo	22:25		20:37		20:06	19:20	18:58	18:30	17:40	17:12	16:42	16:02	15:42	15:01	14:28	14:10	100 100			
754	Talgo									16:00	15:32	15:02	14:22	14:02	13:21	12:48	12:30	10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
552	Talgo			00000 00000 00000 00000 00000 00000 0000						00000 00000 00000 00000 00000 00000 0000	2000 2010 2010 2010 2010 2010 2010 2010							12:05	10:42	10:13	9:30
752	Talgo	0000 4000 4000 4000 6000 6000 6000 6000								12:15	11:47	11:17	10:37	10:17	9:36	9:03	8:45	8:20	6:57	6:28	5:45
A2	Talgo						0110 0110 0110 0110 0110 0110 0110 011			10:00	9:32	9:02	8:22	8:02	7:21	6:48	6:30	**************************************			
260	Talgo	11:40		9:52		9:21	8:35	8:13	7:45	0.000000000000000000000000000000000000		0-10-10-10-10-10-10-10-10-10-10-10-10-10	0.000 0.0000 0.0000			1000 1011 1010 1010 1010 1010 1010 101		10.00 m m m m m m m m m m m m m m m m m m			
	В	Vancouver	Bellingham Passenger	Station	Mt Vernon Passenger	Station	Everett	Edmonds	Seattle	Seattle	Tukwila	Тасота	Centennial	Centralia	Kelso	Vancouver	Portland	Portland	Salem	Albany	Eugene
751	Talgo									7:30	7:44	8:18	8:55	9:18	9:57	10:32	11:00	100 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	10 00 00 00 00 00 00 00 00 00 00 00 00 0	10 E 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	10 00 00 00 00 00 00 00 00 00 00 00 00 0
- 11	Superliner	10000000000000000000000000000000000000					0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		100 mm m	9:45		10:43	11:29	11:52	12:38	13:19	13:55	14:15	15:27	16:00	17:00
761 B1	Talgo	7:10		8:40		90:6	9:53	10:15	11:05	11:30	11:44	12:18	12:55	13:18	13:57	14:32	15:00		1		0.0000 0.0000 0.00
753	Talgo	10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1 A V - A A A A A A A A A A A A A A A A A				000 00 000 000 00 000 000 00 000 00 000 000 00 000	1000 1000 1000 1000 1000 1000 1000 100	10000 10000	14:15	14:29	15:03	15:40	16:03	16:42	17:17	17:45	18:00	19:07	19:36	20:35
755	Talgo	40101 41001 41001 41001 41001 41001 4101	10 mm or 10			10 - 10 0 10 0 1	1000 H 10	01/01 01/01		17:20	17:34	18:08	18:45	19:08	19:47	20:52	20:50	21:00	22:07	22:36	23:35
A1	Talgo	######################################					\$100 c c c c c c c c c c c c c c c c c c		785 - 0 - 0 -	19:30	19:44	20:18	20:55	21:18	21:57	22:32	23:00	1-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0			
763	Talgo	18:00		19:30		19:56	20:43	21:05	21:55		0.0.0.0 0.0.00 0.00 0 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.0000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.00000 10.				1000		0.000000000000000000000000000000000000	100 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1

Time until next 10:50 Vancouver / Seattle 10:45 2:10 3:05 2:45 4:00 Seattle / Portland

4:05

1:40

3:45

2:15

Example schedules accompany "Seattle - Portland Phased Implementation.xls" Initial station times define the schedules Intermediate station and final station times are not necessarily accurate for the implementation year

Exhibit 1. Conceptual Plan Example Schedules Current Schedules Amrak Cascadas Service June 2002

90	Talgo	####	6131623 9000000 1000000 1000000 1000000 1000000	1000000 81,000000 81,000000 81,00000 81,00000 81,00000 81,000000		#	HHHH	22:47	22:22	21:52	21:22	21:02	20:21	19:48	19:30	0 1 1 0	100 100 100 100 100 100 100 100 100 100		-00 -00 -00 -00 -00 -00 -00 -00 -00 -00	1
	\dashv		1 4 1 2 2 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	00000000000000000000000000000000000000				21:32	21:07				19:06	18:33	18:15			100		1:15
756	Talgo		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0-0-0-0-0 0-0-0-0-0 0-0-0-0-0 0-0-0-0-0													1			
22	Talgo			### THE				19:12	18:47	18:17	17:47	17:27	16:46	16:13	15:55		HIMMEN	00000000000000000000000000000000000000		2:20
14	Superliner	100 100 100 100 100 100 100 100 100 100	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			HINGSTERNSTERNISTE		19:56		18:42	18:12	17:50	17:04	16:23	16:00	15:40	14:03	13:30	12:44	
762 B2	Talgo	22:20	20:33	20:02	19:30	19:08	18:40	17:57	17:32	17:02	16:32	16:12	15:31	14:58	14:40		10 0 10 0 10 0 10 0 10 0 10 0 10 0 10	000 000 000 000 000 000 000 000 000 00	12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1,15
754	Talgo		\$2044 241 \$200 2 0 11 \$200 2 0 0 1 \$200 2 0 0 0 1 \$200 2 0 0 0 0 1 \$200 2 0 0 0 0 0 0 1 \$200 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		***************************************	#IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	mmmmm.	15:32	15:07	14:37	14:07	13:47	13:06	12:33	12:15		10000000000000000000000000000000000000	411111111111111111111111111111111111111		2.25
552	Talgo		00-00-00 00-00-00 00-00-00 00-00-00 00-00-	000 7 1 10 000 7 10 0					-	000000000000000000000000000000000000000	0 1 0 1 0 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0	00000000000000000000000000000000000000	0.000 0	\$ 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.		12:05	10:42	10:13	9:30	
C2 CN2	Talgo	17:25	15:38	15:07	14:35	14:13	13:45	13:32	13:07	12:37	12:07	11:47	11:06	10:33	10:15	001	3 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	100 d 1 100 d	5:00
752	Talgo	000000000000000000000000000000000000000						11:57	11:32	11:02	10:32	10:12	9:31	8:28	8:40	8.20	6:57	6.28	5:45	4.55
A2	Talgo	2011444				100 100 100 100 100 100 100 100 100 100		9:47	9:22	8:52	8:22	8:02	7:21	6:48	6:30		00- 90- 90- 90- 90- 90- 90- 90- 90- 90-		000 000 000 000 000 000 000 000 000 00	2:10
260	Talgo	11:25	9:38	9:07	8:35	8:13	7:45		*****************				100	\$0000000000000000000000000000000000000	110 110 110 110 110 110 110 110 110 110		100	10 10 10 10 10 10 10 10 10 10 10 10 10 1	120- 100- 100- 100- 100- 100- 100- 100-	9:00
	O	Vancouver	Bellingham Passenger Station	Mt Vernon Passenger Station	Everett	Edmonds	Seattle	Seattle	Tukwila	Тасота	Centennial	Centralia	Kelso	Vancouver	Portland	Portland	Salem	Albany	Eugene	Time until next Vancouver / Seattle Seattle / Portland
751	Talgo		**************************************	\$ 700 70 00 00 00 00 00 00 00 00 00 00 00	100 100 100 100 100 100 100 100 100 100			6:15	6:29	7:00	7:27	7:50	8:29	9:04	9:35	-04 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1000 1000 1000 1000 1000 1000 1000 100		1000 1000 1000 1000 1000 1000 1000 100	1:45
CI	Talgo		0000000 0000000 0000000000000000000000			**********		8:00	8:14	8:45	9:12	9:35	10:14	10:49	11:17			0 0	1001 1001 1001 1001 1001 1001 1001 100	1:50
င္သ	Talgo			100 100	100		100	9:50	10:04	10:35	11:02	11:25	12:04	12:39	13:07		40 00 40 00 40 40 00 40 00 40 00 40 00 40 00 40 00 40 00 40 00 40	000 000 000 000 000 000 000 000 000 00	00 20 00 00 00	1:25
Ħ	Talgo Superliner					1000 1000 1000 1000 1000 1000 1000 100	100 100 100 100 100 100 100 100 100 100	9:55		10:45	11:15	11:38	12:24	13:05	13:41	14:01	15:13	15:46	16.46	
761 B1	Talgo ;	7:05	8:35	9:01	9:33	9:55	10:45	11:15	11:29	12:00	12:27	12:50	13:29	14:04	14:32		100 100 100 100 110 170 100 170 100 100	000 000 000 000 000 000 000 000 000	1 H 00 1	5.55 2:30
753	Talgo	100				1 000 000 000 000 000 000 000 000 000 0		13:45	13:59	14:30	14:57	15:20	15:59	16:34	17:02	17:17	18:24	18.53	19:52	2:25
S	Talgo		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	201	100 100 100 100 100 100 100 100 100 100		16:10	16:24	16:55	17:22	17:45	18:24	18:59	19:27					5:00 1:00
755	Talgo	13:00	14:30	14:56	15:28	15:50	16:40	17:10	17.24				l			20:37	21:44	22-13	23:12	2:20
PA1	Talgo	100						19:30	19:44	20:15	20:42	21:05	21:44	22:19	22:47	***************************************	100 100 100 100 100 100 100 100 100 100	000 000 000 000 000 000 000 000 000 00	0 100 0 100 0 100 0 100 0 100 0 100 0 100 0 100 100	
763	Talgo	18:00	19:30	19:56	20:28	20.50	21:40	111111111111111111111111111111111111111			41				20- 20- 20- 20- 20- 20- 20- 20- 20- 20-		010000000000000000000000000000000000000	000 000 000 000 000 000 000 000 000 00	10000000000000000000000000000000000000	

Example schedules accompany "Seattle - Portland Phased Implementation.xis" Initial station times define the schedules Intermediate station and final station times are not necessarily accurate for the implementation year

Exhibit 1, Conceptual Plan Example Schedules Current Schedules Antrak Gascades Service June 2002

Example schedules accompany "Seattle - Portland Phased Implementation.xis" Initial station times define the schedules Intermediate station and final station times are not necessarily accurate for the implementation year.

				р	I,	9	N	۱L]	.n	C) (3						
751	Taigo						100	6.30	6:42	7:10	7:34	7:55			9:25	411111111111111	A 50 00 00 00 00 00 00 00 00 00 00 00 00		4 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
5	Talgo		00000000000000000000000000000000000000	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	00000 00000 00000 00000 00000 00000 0000	480 KB BB KB BB	00 00 00 00 00 00 00 00 00 00 00 00 00	8:00	8:12	8:40	9.04	9:25		10:31	10:55	02544046125200000 (40)040000000000000	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	000 100 100 100 100 100 100 100 100 100	は の の の の の の の の の の の の の の の の の の の
ဌ	Talgo		10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		0.000000000000000000000000000000000000	2 10 2 10 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	100100000000000000000000000000000000000	9:45	9:57	10:25	10:49	11:10	11:44	12:16	12:40	0005 v 000 s 000 000 s 000 000 000 000 000 0	12 4 6 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	000 000 000 000 000 000 000 000 000 00	
11.	Superliner			100 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	000 000 000 000 000 000 000 000 000 00	00000000000000000000000000000000000000	000000000000000000000000000000000000000	9:55		10:45	11:15	11:38	12:24	13:05	13:41	14:01	15:13	15:46	16.46
761 B1	Talgo	7:05	8:31	9:00	9:30	9:52	10:40	11:15	11:27	11:55	12:19	12:40	13:14	13:46	14:10	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
5	Talgo				-0000000000000000000000000000000000000			12:55	13:07	13:35	13:59	14:20	14:54	15:26	15:50	\$4400000000000000000000000000000000000			\$0.00 \$0.00
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Seattle / Portland

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Page 6

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761 B1	Talgo	7:05	8:29	8:58	9:26	9:48	10:35	11:15	11:27	11:55	12:18		13:07		13:55	6546517831888888	48572566566558555656565656565666666666666	000000000000000000000000000000000000000	
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755	Talgo	\$1.00 10.00		100 back				17:30	17:42	18:10	18:33	18:51			20:10	20:20	21:27	21:56	22:55
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Example schedules accompany "Seattle - Portland Phased Implementation xis" Initial station times define the schedules attent or most station with intermediate station and final station times are not necessarily accurate for the implementation year

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Time until next Vancouver / Seattle Seattle / Portland 10/20/2003

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Exhibit 1, Conceptual Plan Example Schedules Current Schedules Amtrak Cascades Service June 2002

		p	الر	e	N	۱L	13	n	C) (3				
125	Talgo	20:05	21:07	21:34	21:59	22:16	22:50				1		1000		
123	Talgo			78			20:00	20:36	20:58	21:12	21:41	22:06	22:27		
121	Talgo	16:05	17:07	17:34	17:59	18:16	19:05	19:41	20:03	20:17	20:46	21:11	21:32	21:45	23:30
119	Taigo	Special Second					18:05	18:41	19:03	19:17	19:46	20:11	20:32		
117	Talgo	1					17:05	17:41	18:03	18:17	18:46	19:11	19:32		
115	Talgo			Will Said		100	16:05	16:41	17:03	17:17	17:46	18:11	18:32		
113	Talgo	12:05	13:07	13:34	13:59	14:16	15:05	15:41	16:03	16:17	16:46	17:11	17:32		
11	Talgo			The same of	100 100 100		14:05	14:41	15:03	15:17	15:46	16:11	16:32	16:45	18:30
109	Talgo						12:05	12:41	13:03	13:17	13:46	14:11	14:32		
##		8:05	9:07	9:34	69:6	10:16	11:05	11:41	12:03	12:17	12:46	13:11	13:32	13:45	15:30
=	Superilner	7:40	8:53	9:58	10:07	10:25	11:05	11:45	12:09	12:26	13:00	13:28	13:54		
107	Talgo	STATE OF THE PERSON NAMED IN					10:05	10:41	11:03	11:17	11:46	12:11	12:32		
105	Talgo				Branch Co.		9:05	9:41	10:03	10:17	10:46	11:11	11:32		
103	Talgo			100 mm con		Contract of the last	8:05	8:41	9:03	9:17	9:46	10:11	10:32		
101	Talgo						6:05	6:41	7:03	7:17	7:46	8:11	8:32		
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	ĮL.	Vancouver	Bellingham Passenger Station	Mt Vernon Passenger Station	Everett	Edmonds	Seattle	Tacoma	Centennial	Centralia	Kelso	Vancouver	Portland	Portland	Eugene

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126	Talgo	1	20150				22:27	21:42	21:19	21:06	20:36	20:11	20:00	
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122	Talgo	1000					20:27	19:42	19:19	19:06	18:36	18:11	18:00	
120	Talgo			No. of Concession, Name of Street, or other Persons, Name of Street, Name of S		STATE OF THE PERSON NAMED IN	19:27	18:42	18:19	18:06	17:36	17:11	17:00	62
118	Talgo						18:27	17:42	17:19	17:06	16:36	16:11	16:00	E:
141		20:35	19:23	18:55	18:31	18:13	17:50	16:42	16:19	16:06	15:36	15:11	15:00	14:50 13:05
14	Superliner	22:22	20:56	20:19	19:42	19:22	18:55	17:31	16:50	16:30	15:49	15:13	15:00	
116	Talgo				W. C. W.		16:27	15:42	15:19	15:06	14:36	14:11	14:00	
114	Talgo	17:35	16:23	15:55	15:31	15:13	14:50	13:42	13:19	13:06	12:36	12:11	12:00	11:50 10:05
112	Talgo	The same of the sa					12:27	11:42	11:19	11:06	10:36	10:11	10:00	
110	Talgo		100 may	100		000000	11:27	10:42	10:19	10:06	9:36	9:11	00:6	8:50 7:05
108	Talgo	13:35	12:23	11:55	11:31	11:13	10:50	9:42	9:19	90:6	8:36	8:11	8:00	
106	Talgo			The second second	Section 1	1000	9:27	8:45	8:19	8:06	7:36	7:11	7:00	
ā	Talgo		10				8:27	7:42	7:19	2:06	6:36	6:11	9:00	
102	Talgo	9:25	8:13	7:45	7:21	7:03	6:40	The second second				30		
	ш	Vancouver	Bellingham Passenger Station	Mt Vernon Passenger Station	Everett	Edmonds	Seattle	Tacoma	Centennial	Centralia	Kelso	Vancouver	Portland	Portland Eugene

Example schedules accompany "Seattle - Portland Phased Implementation.xls" Initial station times define the schedules Intermediate station and final station times are not necessarily accurate for the implementation year

Chapter 1 THE USE OF SIMULATION AND ANALYSIS IN RAIL TRAFFIC AND INFRASTRUCTURE PLANNING¹

A SIMULATION

Simulation is a means of determining the effect of specific combinations of rail traffic and infrastructure. Through manual processes, automated processes or a combination thereof, track occupancy by trains through the passage of time is determined and recorded. From this basic information one can derive the amount of delay, the causes of delay, the degree to which track has been allocated and other information required for the analysis of a given situation.

A.1 MANUAL

Manual simulation is the simplest. Manual simulation is the most time-consuming to perform, but requires virtually no setup time. Manual simulation involves calculating the location of each train as time passes and plotting the passage of the trains on a time-distance graph, or stringline, and/or recording them in a tabular format similar to a timetable. Train dispatchers have historically used manual simulation for formulating train operation plans and train schedules.

A.2 AUTOMATED

Automated simulation uses a computer to calculate train locations and perform the recording functions, but the person performing the simulation makes the decisions on track allocation. Automated simulation is less time-consuming than manual simulation, but is still very labor intensive to perform and involves a moderate amount of setup time.

A.3 AUTOMATIC

Automatic simulation uses computer software to perform all aspects of the simulation. Often, the automatic simulation consists of two simulation components. One part of the software, the Train Performance Calculator, simulates train operation and calculates train running times. Another part of the software, the Train Dispatching Simulation, allocates track usage to the simulated trains and records the running times, delays and track usage for each train. Computers and software can perform a sophisticated simulation rather quickly, however automatic simulation is very time-consuming to prepare. A single situation may require months of setup work.

A.4 COMBINATION

The decisions made by Train Dispatching Simulations are generally adequate, however the decisions made by such software may not be suitable for certain

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¹ This chapter is a reformatted document prepared by Transit Safety Management in 2000 for the WSDOT under contract with HDR Engineering.

complex situations. A necessary decision may not be the "logical" decision sought by the software. In such situations, one or more trains may be subjected to extreme delays that would not occur in actual operation or the simulation program may report that one or more trains could not be run. The former situation may occur in rail operations, although to perhaps a different magnitude than the automatic simulation will produce. The latter situation generally does not occur in rail operations. Each train must occupy some amount of track somewhere and cannot be conveniently removed from the operation.

To achieve a suitable result in such a situation, it may be necessary to "override" the decision made by the software. Such "illogical" decisions are not generally necessary when the vehicles are all of similar size and speed, when the operation is predictable and free from external influence, and when the traffic available does not periodically exceed the capacity of the line. Thus, a real-time automatic simulation may operate a rapid transit line reliably. Freight, passenger, commuter and combined traffic railroads are not as predictable as a metro line, the vehicle size and speed is not uniform, and the available traffic may periodically exceed the capacity of the line. Fully automatic simulation is often not effective for such situations. The Computer Assisted traffic control systems often used by railroads are automatic simulation that can be "overridden" by the train dispatcher, if necessary. The same technique may also be used to perform simulations used for traffic scheduling or infrastructure planning.

B MEASUREMENT AND ANALYSIS

Some type of measurement must be employed in order to make a comparative analysis of multiple situations. The situations might be, new schedules for existing traffic, additional traffic compared to existing traffic, faster traffic compared to current speed, existing traffic with additional infrastructure or additional traffic with additional infrastructure. Delay, running time, total transit time, scheduled dwell, fuel consumption and track usage can be measured.

Delay does not necessarily reflect all of the important information. Transit time, the amount of time required for each train to move through the simulation, may move upward or downward partially independent of delay because of differences in speed. Delay can be compared to transit time [the total time required for a train to move from the beginning to the end of the trip], running time [the time when the train is moving during the trip] or some unit of distance [minutes of delay per a given number of miles, generally 100. The three comparisons are different ways of looking at the same set of information. Depending upon the situation, each may provide a slightly different interpretation of the information.

The most common comparisons are delay per running time and delay per 100 miles.

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C COST OF DELAY

Delay has several associated costs that are considered when determining how much delay is acceptable. The obvious direct cost is that of fuel consumed while locomotives are idling. More fuel is consumed accelerating a train back to normal operating speed from a stop than would have been consumed had the train not stopped. The higher fuel consumption is accompanied with greater exhaust emission. Brake system components require more frequent replacement than they would were delays reduced. Delay cost includes the cost of the locomotives and cars that are standing still instead of producing revenue. The railroad's equipment fleet may be larger than would be required at some reduced level of delay. The cost of the crews operating the trains may be greater than it would at some reduced amount of delay. This is especially true of cases in which delay is great enough to require relief crews for trains because the trip time exceeds the on duty time allowed by the Federal Railroad Administration regulations.

Where delay is great, the cost of track maintenance is probably affected, also. Track must be regularly maintained and repaired, requiring the work area to be out of service for train movements. The availability of track for maintenance is reduced when trains are standing for extended periods of time waiting for other traffic to clear. A significant part of the workday of track maintenance employees and their equipment may be spent waiting for the track to be cleared of trains so they can work.

Delay may have an indirect cost. When delay is great, reliability (adherence to schedules) is low. Low reliability may affect the ability to attract and keep business.

D ACCEPTABLE DELAY RATIO

An acceptable delay ratio must be identified. That ratio may be different depending upon the situation. Acceptable delay on a single track line will probably be more than acceptable delay on a multiple track line. Acceptable delay may be greater near a terminal than in open country. The amount of delay that is acceptable will be affected by the cost of the delay compared to the cost of the infrastructure required to eliminate the delay.

The acceptable delay ratio will be the standard by which the various cases of the simulation will be measured.

E TRANSIT TIME

Related to but not necessarily dependent on delay is transit time. The delay ratio may be acceptable, but the trains with the least transit time may still not be acceptable for marketing, equipment utilization, personnel utilization or other reasons.

F RECORDS AND REPORTS

The record of the results is generally in the form of the time that each train in the simulation left the initial station, arrived at the final station and passed intermediate points. The times may be accompanied by the train speed at that

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point, the car count and tonnage of the train and other information. The record will generally include for each train the amount of delay and the amount of scheduled dwell. The record may include a listing of segments of track with the times that trains occupied them. The simulation input generally includes assignment of a train type, such as Passenger, Merchandise, Coal, etc. The train type is recorded with the information for each train. The train types used may vary depending upon the situation being studied. Passenger trains may be a single type, or they may be separated into several types such as intercity, commuter and regional if the effect of the types of passenger trains on each other is being tested. The freight train types may also be made more specific. Intermodal trains may be divided into priority, regular, and international, for example, if the performance of specific train types is important. Automatic simulations generally produce various reports from the records. In some cases other information that is not represented by prepared reports is available in records.

G SIMULATION ITERATION

The simulation will show the effect of trains and the infrastructure on each other. The simulation will not suggest ways in which to make whatever changes are necessary to adequately support the desired traffic volume or schedules. Analysis of the result will suggest changes that may improve the situation. Simulation is then performed for the revised schedules and/or infrastructure plan to determine if the desired result has been achieved. The complete schedule and/or infrastructure plan for a given situation may take many iterations of changes and simulation.

H BASE CASE

The base case allows measurement of the current situation. Current infrastructure and traffic are modeled and the results recorded for comparison against other cases.

The current situation may not produce an acceptable delay ratio, or acceptable transit times.

I CORRECTING THE DELAY RATIO

If the goal of the simulation does not involve determining shared responsibility for infrastructure cost, the infrastructure changes required to make the delay ratio and transit time of the base case acceptable are of little importance, unless the program under consideration consists of several phases to accompany growth. For a phased program or a program involving shared cost for infrastructure improvements, determining the changes required to make the delay ratio and transit time of the base case acceptable will be required. The first phase of a phased improvement program should at minimum generate acceptable delay ratio and transit times for the base case traffic.

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J EFFECT OF INCREASED TRAFFIC

A situation involving existing infrastructure and increased traffic is used to determine the effective capacity of the infrastructure. Assuming that the existing delay ratio is acceptable, traffic is added to the existing infrastructure until the delay ratio becomes unacceptable or all of the proposed traffic is accommodated. The result of each incremental addition to traffic is recorded for comparison against the base and each other case.

K ADEQUACY OF TRACK CONFIGURATION

If a proposed track configuration is tested by simulation, the results of base case traffic simulation and of the simulation each of the increments of additional traffic is recorded. The delay ratios of the various levels of traffic are compared to an acceptable level. If all of the proposed traffic is accommodated with an acceptable delay ratio, the track configuration is adequate. An acceptable delay ratio proves only that the track configuration is adequate for the amount, type, timing and combination of traffic simulated. Numerous simulations with incrementally increasing traffic are often conducted in order to make an assessment of the degree of adequacy of a given track configuration. The time of operation of trains may also be varied during the series of simulations to ensure that the infrastructure plan is not suitable only to a specific combination of trains and times.

If the track configuration is found to be inadequate for the proposed traffic, the location and amount of delay as well as the traffic pattern is analyzed to determine additions or changes in track to be simulated. The complete set of base and increased traffic situations will be tested using the newly developed track configuration.

L RESPONSIBILITY FOR IMPROVEMENT COST

Often there are two questions to be answered by simulation and analysis. Once an adequate track configuration is determined, allocation of the cost of the changes and additions to the track must be determined. Cost allocation, like determination of adequacy of the track configuration is a process of iteration, especially when the infrastructure is already inadequate and/or significant growth is expected in more than one of the types of traffic on the line.

Each of the types of traffic on the line being simulated is increased while the others remain static, to determine the effect of the growth of that particular traffic on the line. If the existing track configuration is inadequate for the proposed amount and timing of a particular type of traffic, additional simulations may be made with the infrastructure incrementally increasing toward that found adequate for all of the traffic. Once a separate set of simulations has been performed for each of the types of traffic being measured, a comparison is made to determine which portions of the track configuration were required for each of the types of traffic. Analysis of the simulations can involve comparison of delay ratios, transit times, and traffic patterns.

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The result of the analysis will not necessarily be a straightforward statement of cost allocation. Analysis may show that some track configuration changes are obviously necessary for a single type of traffic. Even when that is the case, analysis also often shows that other types of traffic will benefit from infrastructure changes that are only absolutely necessary for a single type.

Once analysis is complete and the effect of each of the types of traffic on the infrastructure requirements is documented, the actual cost allocation is a subject for negotiation based on the analysis results.

M METHODOLOGY FOR PHASED IMPLEMENTATION OF PACIFIC NORTHWEST RAIL CORRIDOR PASSENGER SERVICE

- Each construction project will address the most capacity-limiting feature of the route. The order and details of project construction will be determined with the assistance of a simulation model constructed and analyzed jointly by BNSF and WSDOT.
- 2. The track and signal arrangement of each construction project will support a minimum of anticipated freight and passenger traffic for year 2020.
- 3. Each project may include constructing crossovers at locations required for end of 3 main track arrangements of a future construction project. These crossovers are intended to increase reliability rather than contributing to line capacity.
- 4. Until implementation is complete, the number of Pacific Northwest Rail Corridor passenger trains will be increased after the completion of each project to the number of trains that can be accommodated by the most capacity-limiting feature of the route.
- 5. The ability to accommodate additional passenger trains after each project will be determined with the assistance of a simulation model constructed and analyzed jointly by BNSF and WSDOT.

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Chapter 2 SIMULATION CASES FOR IMPROVEMENT COST ALLOCATION NEGOTIATIONS²

Table 2.1 - Simulation Cases for Consideration in Allocating Improvement Costs

	В	0	1	2	3	4
	BASE	ADJUSTED BASE FOR ACCEPTABLE STARTING DELAY RATIO	FREIGHT GROWTH	PASSENGER GROWTH	FREIGHT GROWTH PLUS PASSENGER GROWTH	PASSENGER GROWTH PLUS FREIGHT GROWTH
PASSENGER TRAFFIC	CURRENT	CURRENT	INCREASED	CURRENT	INCREASED	INCREASED
FREIGHT TRAFFIC	CURRENT	CURRENT	CURRENT	INCREASED	INCREASED	INCREASED
TRACK	CURRENT	ADJUSTED	ADJUSTED + F	ADJUSTED + P	CASE 1 + ADD FOR P	CASE 2 + ADD FOR F
	Determine the current delay ratio	Adjust track to reduce delay ratio to acceptable as necessary	Adjust freight traffic to the projection then add track to the adjusted until the desired delay ratio is achieved for all traffic	add track to the adjusted until the desired	Add passenger growth to the freight growth case and add track to the final freight growth case until the desired delay ratio is achieved for all traffic	Add freight growth to the passenger growth case and add track to the final passenger growth case until the desired delay ratio is achieved for all traffic

A DELAY RATIO

Various types of trains may be treated differently when track resources are allocated for movement within the simulation. Depending on the simulation, this may include assigning a degree of importance or priority to types of trains, assigning a goal transit time or final terminal arrival time to trains or a combination of degree of importance and desired time. Passenger and freight trains are obviously different in this respect. Passenger train performance may be acceptable if within five or ten minutes of schedule, depending upon the length of the trip. Freight service may be considered acceptable if it is within an hour or perhaps more of schedule, depending upon the commodity. Similarly,

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² This chapter is a reformatted document prepared by Transit Safety Management in 2000 for the WSDOT under contract with HDR Engineering.

recovery time in the schedule may also be allocated differently for freight trains and for passenger trains. Among passenger trains, intercity, regional and commuter passenger trains may require separate treatment. Among freight trains, intermodal, merchandise and bulk commodities may require separate treatment.

Depending upon the configuration of the line and the traffic, the infrastructure required for separate treatment of two services may not prove cost-effective. For example, a given segment of line may require an additional main track throughout in order to support better performance of a few intercity passenger trains than a large number of commuter trains or better performance of a few intermodal trains than a large number of merchandise trains.

The delay ratio should be tracked separately for each type of traffic that has different time sensitivity or requires separate treatment.

B TRACK USAGE

When possible, the usage of tracks by the different types of trains that are to be considered separately should be recorded. Some types of traffic may obviously require certain facilities such as separate track for high speed passenger service, storage yards for grain trains, or yard facilities for carload freight. Other tracks used only by certain services may not be apparent without recording and analyzing track usage. The record of track usage may be helpful in achieving the final result.

C THE SIMULATION CASES

Case B provides the initial look at the current situation. Case 0 is the case to which all comparisons are made. The delay ratio of Cases 1 through 4 should be the same as that of Case 0 for acceptable results. Cases 1 and 3 together and cases 2 and 4 together provide two different ways of looking at the same situation. This is especially necessary when two or more types of traffic are increasing simultaneously. Where cost is to be allocated among more than two services, additional cases would be required to isolate the needs of each and to determine the jointly used facilities as has been demonstrated for two services.

C.1 CASE B

Base case is operation of current traffic on the current track arrangement. The base case may also be agreed-upon traffic or track arrangement other than the current situation. Treatment of trains and tracking of delay is that which has been determined appropriate for the situation.

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C.2 CASE 0

If the current general and traffic-specific delay ratio is acceptable then consider the result of **Case 0** to equal the result of **Case B**, otherwise complete **Case 0** by modifying the track arrangement as necessary. Measure against this delay ratio and track arrangement result.

C.3 CASE 1

Change track from **Case 0** as necessary to achieve the delay ratios of **Case 0** for all traffic. If there is to be a change in the treatment of trains, such as increasing the performance of intermodal trains over merchandise trains where they are treated equally in the base case, the change in treatment is included in this case.

C.4 CASE 2

Change track from **Case 0** as necessary to achieve the delay ratios of **Case 0** for all traffic. If there is to be a change in the treatment of trains, such as increasing the performance of intercity passenger trains over regional passenger trains where they are treated equally in the base case, the change in treatment is included in this case.

C.5 CASE 3

Change track from **Case 1** as necessary to achieve the delay ratios of **Case 0** for all traffic. If there is to be a change in the treatment of trains, such as increasing the performance of intermodal trains over merchandise trains or intercity passenger trains over regional passenger trains where they are treated equally in the base case, the change in treatment is included in this case.

C.6 CASE 4

Change track from **Case 4** as necessary to achieve the delay ratios of **Case 0** for all traffic. If there is to be a change in the treatment of trains, such as increasing the performance of intermodal trains over merchandise trains or intercity passenger trains over regional passenger trains where they are treated equally in the base case, the change in treatment is included in this case.

D THE RESULTS

The changes in **Case B** that are required to achieve **Case 0** are assumed to be required and outside of the scope of the improvement under consideration.

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Case 1 demonstrates what changes are required to support only the freight growth.

Case 2 demonstrates the changes that are required to support only the passenger growth.

Neither Case 1 nor Case 2 can demonstrate the trackage that is necessary when there is growth in both types of service. Some tracks may be required jointly. Comparing Case 1 and Case 2 and determining which additional trackage is included in both cases can give an indication of how much of the trackage is required by each service and how much is required jointly. Case 3 and Case 4 provide two ways of cross-checking the results.

Case 3 begins with the changes necessary to accommodate the projected growth in freight traffic. Trackage is changed as necessary to continue accommodating freight growth while also accommodating passenger growth.

Case 4 begins with the changes necessary to accommodate the projected growth in passenger traffic. Trackage is changed as necessary to continue accommodating passenger growth while also accommodating freight growth.

Comparing **Case 3** and **Case 4** and determining which additional trackage is included in both cases will give an indication of how much traffic is required for each service and how much is required jointly.

The result of the **Case 1 / Case 2** comparison should be similar to the **Case 3 / Case 4** comparison. The two case comparisons can be compared and / or combined to form a final result. If necessary, the process may be assisted with the use of the record of track usage per train type.

The final product of the analysis should be a listing of the track resources that were necessary for only the growth in freight service, the track resources that were necessary for only the growth of passenger service, and the track resources that are necessary for the growth of either type of service.

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Chapter 3 REQUIRED SIMULATION RESULTS³

During the course of the permit process other specific questions may arise that would require asking for other, and perhaps more specific, information from the input files. In general, the simulation information desired is:

- 1. List of train types used including a typical train size, power and tonnage for each
- Description of the methodology such as the number of hours simulated, the priority handling of the various train types, the way in which local work was handled, MofW activity that was included, etc.
- 3. Description of each scenario including the track arrangement, simple description of traffic volume (such as 1999, 2010, 2050 etc.), and the limits of the simulation.
- 4. Number of trains of each type by direction. Where traffic originates or terminates at an intermediate area of the simulation, the number of trains should be broken down by through and intermediate origin/destination trains. (Example: For the Rocky Point Woodland situations break down the number of trains by through movements and those originating, terminating, or turning in the area between Rocky Point and Woodland.)
- 5. Stringline prints for each scenario
- 6. Miles traveled per type for each scenario
- 7. Running time per type for each scenario
- 8. Delay time per type for each scenario
- 9. Total elapsed time per type for each scenario
- 10. General observations about individual scenarios such as noticeable congested locations, queuing, etc. that support the need for the final infrastructure configuration.

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³ This chapter is a reformatted document prepared by Transit Safety Management in 2000 for the WSDOT under contract with HDR Engineering.

RR-06. 3/BF21724, EXHIBIT 3 – TASK ORDE. JORM TASK ORDER

FOR UPGRADING OF BNSF NORTH-SOUTH MAIN LINE BETWEEN VANCOUVER AND BLAINE, WASHINGTON

Agreement No. RR-00278/BF21724 Ta	sk Order No. ## Task Amendment No. #
Improvement Name: Name of Improvem	ient.
	Fask: \$###,###,###.## (see "Compensation" below)
Railroad Project Manager	State Project Manager
Name	Name
Mailing Address	The state of the s
Mailing Address2	
City, ST ZIP Code	City, ST ZIP Code
Phone: (###) ###-####	Phone: (###) ###-####
Fax: (###) ###-####	Fax: (###) ###-####
Mobile or Pager: (###) ###-####	Mobile or Pager: (###) ###-###
E-mail: Address@server	E-mail: Address@server

This Task Order is made for the following Work in accordance with the Agreement for Upgrading of BNSF North-South Main Line Between Vancouver and Blaine, Washington, dated ______ (Document) between The Burlington Northern and Santa Fe Railway Company (Railroad) and the State of Washington, acting through its Department of Transportation (State). The terms and conditions of the Document are incorporated in this Task Order by reference.

Scope of Work (Appendix 1): Railroad shall furnish qualified personnel, equipment, materials and supplies necessary to perform the Work described in Appendix 1 dated <u>mmm dd</u>, <u>yyyy</u>, attached hereto and made a part hereof (Scope of Work).

Schedule (Appendix 2): Railroad shall perform the Scope of Work in accordance with the schedule set forth in Appendix 2, attached hereto and made a part hereof, commencing upon receipt of signed Task Order. The Scope of Work shall be completed on or before <u>mmm dd</u>, <u>yyyy</u>.

Compensation (Appendix 3): Railroad shall be compensated for performance of the Scope of Work in accordance with the terms of the Document and Appendix 3, attached hereto and made a part hereof. If Preliminary Engineering for the Improvement described above has been completed, Costs incurred in the final engineering and construction of the Improvement named above shall be apportioned as follows:

Railroad: ###.#% State: ###.#%

Severability (Appendix 4): All or portions for the Improvement are Severable from the existing facility as set forth in Appendix 4, attached hereto and made a part hereof.

Operating Benefits: The operating benefits expected to result from this Improvement are described in Appendix 5, attached hereto and made a part hereof. Generally the benefits are as follows:

Minimum number of additional passenger train round trip(s) supported by Improvement: ## Minimum reduction in the scheduled passenger train running time supported by this Improvement: hh:mm:ss

Other Improvements required to completely realize the benefits, if any, are listed in Appendix 5.

1.

RR-0 3/BF21724, EXHIBIT 3 – TASK ORDI ORM

Agreement No. RR-00278/BF21724	Task Order No. ##	Task Amendment No. ##
Communications: The Railroad and	State contacts for this Task	Order shall be as stated above.
Task Order Modifications : Section orders to this Task Order.	4.14 of the Document gover	ns Modifications or change
Notice to Proceed: Notice to Proceed parties.	is granted at the execution	of this Task Order by both
AGREED: RAILROAD	STATE	
Ву:	Ву:	
Title:	Title:	

Date: _____

The Burlington Northern and Santa Fe Railway Company Labor Additive Definitions and Percentages Effective: January 1, 2003 (Engineering and Transportation Rates Based on 1998 Costs) RR00278/BF21724 Exhibit "4"

	Percei	Percentage by Labor Type	9
ADDITIVE DEFINITIONS	Engineering*	Transportation	Exempt***
Time Paid Not Worked Examples are vacation, holidays, and sick pay.	15.01%	57.67%	n/a
Payroll Taxes Costs includes company portion of RRT plan, including Railroad Unemployment Insurance and Supplemental Annuity. Apportioned by labor type	27.31%	21.09%	20.20%
Health and Welfare Company portion of medical plan cost and company's portion of 401K and pension costs.		32.29%	39.82%
Force Account Insurance Percent is based on premium paid to private insurers based on base labor and is used in place of Personal Injury additive.	15.00%	15.00%	n/a
Department Overheads Examples include exempt labor, travel expenses, supplies, small tools, and safety shoes and glasses.	57.28%	76.96%	n/a**
General and Administrative Costs include accounting, information services, labor relations, etc. DOES NOT APPLY TO TITLE 23 PROJECTS	15.09%	15.09%	n/a
Equipment Rental To cover the cost of highway licensed vehicles and roadway machines used in maintaining track structures (e.g. tampers, tie inserters, etc.)	35.27%	n/a	n/a**
Government crossing and flagging projects (use instead of higher rate)	19.23%	1.09%	n/a**
TOTAL When roadway machines and vehicles are used.	182.90%	n/a	n/a
TOTAL When only vehicles are used.	166.86%	219.19%	60.02%

(Engineering and Transportation Rates Based on 1998 Costs) The Burlington Northern and Santa Fe Railway Company Labor Additive Definitions and Percentages RR00278/BF21724 Exhibit "4" Effective: January 1, 2003

Store Expense and Freight Additives

Store Expense

The costs of the Purchasing and Materials Departments as a percentage

of material billed.

2.47% 2.47% Rail, Ties and Ballast All Other Material

On-Line Freight

The cost of transporting material in company material cars.

\$0.0310/ton mile \$0.0185/ton mile Rail and Ties

Ballast

Off-Line Freight

The cost of transporting material, other than BNSF service, as a

percentage of material billed.

Material Salvage Credit will be calculated using one or a combination of the following methods: (Values based on market value at time of estimate)

Disposed of or scrapped material Retained at local level material

(Net Tons X Scrap Salvage Value) - Removal Cost = Net Salvage Credit (Net Tons x Second Hand Value) - Removal Cost = Net Salvage Credit

Retained at System level material

[Net Tons X (Second Hand Value - System Handling)] - Removal Cost = Net Salvage Credit

* Engineering Department (MofW, Signal, Communications, B&B)

** Actual costs are direct billed.

*** Exempt costs have not been and will not be audited by a cognizant federal agency and can be accepted by State or audited by State, at State's discretion.



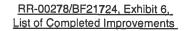


Proposed Improvements in Support of 2nd Round-Trip between Seattle and Vancouver, BC

Revision Date: October 14, 2001

This Exhibit 5 lists projects that are required to support the 2nd round trip between Seattle and Vancouver, BC. See Sections 3.5, 4.7 and 26 of the Agreement. Some Improvements are already completed. The estimated costs, round trips, scheduled running time and speeds for Improvements not completed (Proposed) are listed for convenience. The actual scope of the Improvement and the resulting cost, round trips, schedule reduction, and Talgo speeds will be determined at the time the Final Engineering of the Improvement is agreed to by Task Order (See Section 4.11 of the Agreement).

Project Name	Status	BNSF AFE#	Current Estimate or	Minimum Round Trips	Minimum Schedule Reduction	Talgo Speeds (mph)
B-24 Swift Siding (A.K.A. Blaine Siding Extension)	Completed under RR-0152 except as below			711,50	1100001011	
Close Lone Pine private crossing	To be completed thru BNSF/Amtrak Agreement		195,000.00			
B-14 Ferndale	Completed under RR-0152 except as below					
Close Thorton Road Crossing	To be completed thru BNSF/Amtrak Agreement		500,000.00			
3-16 Everett, Construct 3 Yard Tracks			1,932,500.00			
3-16 Everett, Yard Tracks, Mitigation Site, Purchase Property			126,550.00			
3-16 Everett, Yard Tracks, Construct Mitigation Site			813,533.00			
B-17 Everett, Extend Rogers Passing Track			1,656,800.00			
B-17 Everett, Rogers Pass, Mitigation Site, Purchase Property			63,275.00			
B-17 Everett, Rogers Pass, Construct Mitigation Site			406,767.00			
B-18 Ballard, Construct Double Track and Install High Speed X-Over			2,037,500.00			50 Max thru Crossove
3-26 English, Extend Passing Track 4000'N	See "Amtrak North" Projects		0.00			
B-26 English, Mitigation Site, Purchase Property	See "Amtrak North" Projects		0.00			
B-26 English, Construct Mitigation Site	See "Amtrak North" Projects		0.00			
B-27 Stanwood, Extend Passing Track 4000'N	See "Amtrak North" Projects		0.00			
B-27 Stanwood, Mitigation Site, Purchase Property	See "Amtrak North" Projects		0.00			
B-27 Stanwood, Construct Mitigation Site	See "Amtrak North" Projects		0.00			
Partial Funding Of 4 "Amtrak North" Projects (English, Burlington, Bellingham Mainline, & Custer), Under A Separate Contract Between BNSF and Amtrak, In Lieu Of B-26 & B-27	Completed under RR-0152	7-3543-01	4,900,000.00			
Remaining WSDOT Obligation, Based On Preliminary Estimates, For Unfunded Portion Of The 4 "Amtrak North Projects (English, Burlington, Bellingham Mainline, & Custer), Under A Separate Contract Between BNSF and Amtrak, In Lieu Of B-26 & B-27	This portion of the 4 projects are likely not required due to changes in project scope and overall reductions in cost.		2,709,613.00			
	Subtotal		14,646,538.00			
Coond Dound Trip Debugge Cooling	and Vancasinian BO	1	10 154 074 04) O===	1	
Second Round Trip Between Seattle	Paid By WSDOT to BNSF	vio naroomonto	19,154,371.00		-	-
	Unfunded	via agreements	4,900,000.00 14,254,371.00			
· · · · · · · · · · · · · · · · · · ·	Unitalded	Т	14,204,371.00	<u> </u>		



Revision Date: October 14, 2001

This Exhibit 6 lists Completed Improvements that may or may not be defined as Several by the referenced Task Orders under which they were constructed. See Sections 2.5, 2.24, 4.21 and 11 of the Agreement. The BNSF Construction AFE# and the WSDOT Construction Work Order are for reference only. The Final Invoice Date is for the referenced Task Order only and is not, necessarily, the date the overall project was completed. Task Orders can include either Real Estate, Fixtures or both. Examples of "Fixtures" include, but are not limited to, track, ties, ballast, structures, earthwork and signal systems. All improvements listed here should be included in the "List of Completed and Proposed Improvements" that is a part of Exhibit 1.

Improvement Name & Description, as appropriate.	Construction Task Order #	BNSF Construction AFE#	WSDOT Construction Work Order#	Severable Improvement? (per Sec. 2.24)	Final Construction Invoice Date	Total Capitalized Value	Capitalized Value of Real Estate	Capitalized Value of Fixtures
Example Improvement; Description to differentiate phases and portions of larger projects that might include both Severable and non-severable Improvements.	999	99-9999	0P9999-99	Yes/No	10/14/2002	999,999,999.99	999,999,999.99	999,999,999.99
						i		